T O U R I S M

A Marketing and Product Development Manual for the Freshwater Fishing Resorts of British Columbia

ECONOMIC & REGIONAL DEVELOPMENT AGREEMENT

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A Marketing and Product Development Manual for the Freshwater Fishing Resorts of British Columbia

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Industry, Science and Technology Canada
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British Columbia
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British Columbia
Ministry of Tourism and
Provincial Secretary

NOTES

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Introduction

This *Marketing and Product Development Manual* is designed to assist operators of freshwater fishing lodges/resorts in:

- preparing and executing sound marketing plans;
- conducting market research;
- monitoring performance;
- upgrading or improving their product;
- changing their product to meet the needs of new markets; and
- developing new product packages.

The Manual is divided into two complementary sections that cover marketing and product development separately.

Portions of the material used to complete the *Marketing Manual* have been taken from a marketing management program that was prepared by Tourism Canada, now a branch of The Department of Industry, Science and Technology Canada.

Resort owners and managers wishing to upgrade their marketing skills are strongly advised to obtain this publication as it contains a wealth of information on the subject.

A copy of the original manual may be purchased from:

Tourism is Your Business
Marketing Management Program
MacLean Hunter Limited
Canadian Hotel and Restaurant, 5th Floor
777 Bay Street
Toronto, Ontario
M5W 1A7
(416) 596-5786

A Marketing and Product Development Manual
for the Freshwater Fishing Resorts of British Columbia

Marketing Manual

What is Marketing?

> ***Marketing orientation is a way of thinking — a frame of mind. It is, if you like, a business philosophy. If you adopt a marketing orientation, it means that whenever you think about your business, you do so from your customer's point of view, not from your own. It means accepting the idea that the purpose of your business is to serve the wants and needs of your customers, and to meet or exceed their expectations. In other words, it means putting your customers first. For this reason, it is sometimes also called a customer orientation.*** [1]

Marketing is the name given to the specific steps you take to put your customer orientation into practice. More specifically, marketing involves a set of activities which are directed towards:

- finding out what your existing and prospective customers need or want;
- directing the efforts of your entire business towards making sure your customers get what they need or want, and that their expectations are fulfilled or exceeded; and
- generating projected profits or achieving other desired objectives.

Marketing, then, is much more than advertising, promoting or public relations. A lot of behind-the-scenes activities are part of marketing and important factors in ensuring that the customer is satisfied. These might include training to make sure your staff treat your customers properly; maintenance and upkeep to ensure your facilities are attractive, clean and safe and are in keeping with your customer's expectation; and the implementation of efficient systems and policies such as cancellation policies, and reservations systems to ensure that your business runs smoothly so your customers can relax.

1 *Tourism is Your Business*, A Marketing Management Program, MacLean Hunter Ltd.

Some Important Terminology

Before you proceed with any marketing activity, it is important to understand the nine key elements of tourism marketing that form essential ingredients of any marketing plan.

PRODUCT

From your customer's point of view, the product or service you are offering is the mixture of benefits they think they will receive. Thus it is not necessarily the cabins, meals, the lake, the fishing, the recreational facilities or your personal service but the way your customers see such facilities being put to use for their own benefit and enjoyment.

Are your customers coming to your resort in order to harvest fish or are they just trying to get away from it all and enjoy the sounds of nature? Are they wanting to retreat from humanity or are they seeking some family togetherness and fun? Are they looking to fine tune a skill in the company of other knowledgeable enthusiasts?

It is easy to fall into the trap of adopting a product orientation, rather than a marketing orientation. You then make the mistake of selling your cabins and your boats, rather than the experiences these products can give your customers.

Our research shows that the market for freshwater fishing resorts is divided into at least two categories:

1. those customers for whom the chance to be in the outdoors often with family and friends is most important and catching a fish is secondary; and
2. those for whom the size, quantity and species of fish is most important.

When considering your product, therefore, you have to determine exactly what your customers are buying. You have to make sure that you really understand your product from their point of view. When you do this, you realize that much of your product consists of elements outside your direct control — the quality of the natural setting is critically important to most visitors to a freshwater fishing resort. But while you may not have much control over the weather and scenery, you can do much to create an atmosphere of romance, escape or remoteness. And it is these intangible elements that comprise the essence of any product — a pleasing experience.

PARTNERSHIP

Since customers usually want to purchase an overall experience at a given destination, it makes sense for two or more businesses that offer complementary products or services to cooperate by pooling their marketing efforts. For those resorts catering to the family-oriented market, for example, it may make sense to team up with a local guest ranch or trail riding operation, or to invite a local naturalists to develop some nature walks for children.

PACKAGING

By grouping a number of facilities and services into one price that can be purchased in a single transaction, the operator has greatest flexibility in molding his or her product. Over half of the market for the freshwater fishing product appears to prefer to pay for the experience in a single transaction.

PROGRAMMING

This refers to any special events and activities you organize, which expand on the product you are offering, for example: children's programs, such as learning to tie a fly, chop wood, stalk a deer; entomology classes for skilled fly fishermen; cooking with fish for gourmet cooks; nature observation classes; and computer camps for kids. All of these activities can add value to the experience and give customers an extra reason to buy.

PRICE

The key objective with any pricing decision is to make sure your customers receive what they regard as value for money. Your price should reflect your costs plus a profit margin and take into consideration your competition. And this is where it is important to know your own market. The competition is not necessarily the other resort on the lake, especially if the facilities and services offered by that resort are radically different from yours. All too often, operators think they are losing clientele to another property whose rates are cheaper not realizing that the discounted, cheaper property is satisfying a completely different clientele. The price you set will also influence your type of clientele as many consider price to be a primary selection factor. In some cases, actually raising

rates can help a resort attract more guests. If the description of facilities and services is not reflected in the price in the minds of the consumer, they may well not investigate further. While price is an objective factor, written down in black and white, value is subjective and many urban consumers — especially those from crowded, polluted cities — are willing to pay top dollar for the very natural amenities which you may take for granted.

POSITIONING

This refers to the market niche that your business caters to, and to the way that you differentiate your business from your competitors'. The key factor to bear in mind here is that your positioning must be consistent.

If you have, for example, decided to focus on the budget conscious family, it makes little sense to have a first class dining room that serves formal meals. On the other hand, if you are targeting the affluent executive market, and stressing the ability to "get away from it all," you would not install a pitch-and-put golf course to amuse children on a rainy day. Your pricing strategy would also be designed such that large families were discouraged.

PLACE

This refers to the place in which your customers buy your product. Most freshwater fishing resorts sell directly to the customer over the phone or in answer to a written enquiry. Many customers are repeat visitors who book their vacation at the same property year after year.

The tourism industry has many other channels of communication such as travel agents, tour operators and tour wholesalers. These types of companies either pre purchase blocks of bed-nights for sale to groups or sell fishing resort packages on a commission basis. Because most freshwater fishing resorts in British Columbia have not developed packages and because most packages are relatively low priced, it is often not worth a retail agent to "push" such packages as they can barely cover the cost of the sale. Travel agents and tour wholesalers are not likely to become a very important sources of business to the fishing resort sector as a whole until the amount of "top-end," high-priced commissionable product increases.

PROMOTION

This is the range of activities by which you make potential customers aware of your product and make them want to buy it. The range of activities includes advertising, personal selling, sales promotion, publicity and public relations. More details on different promotional methods are presented in the section titled, "*How Will I Get There?*" of this manual.

PEOPLE

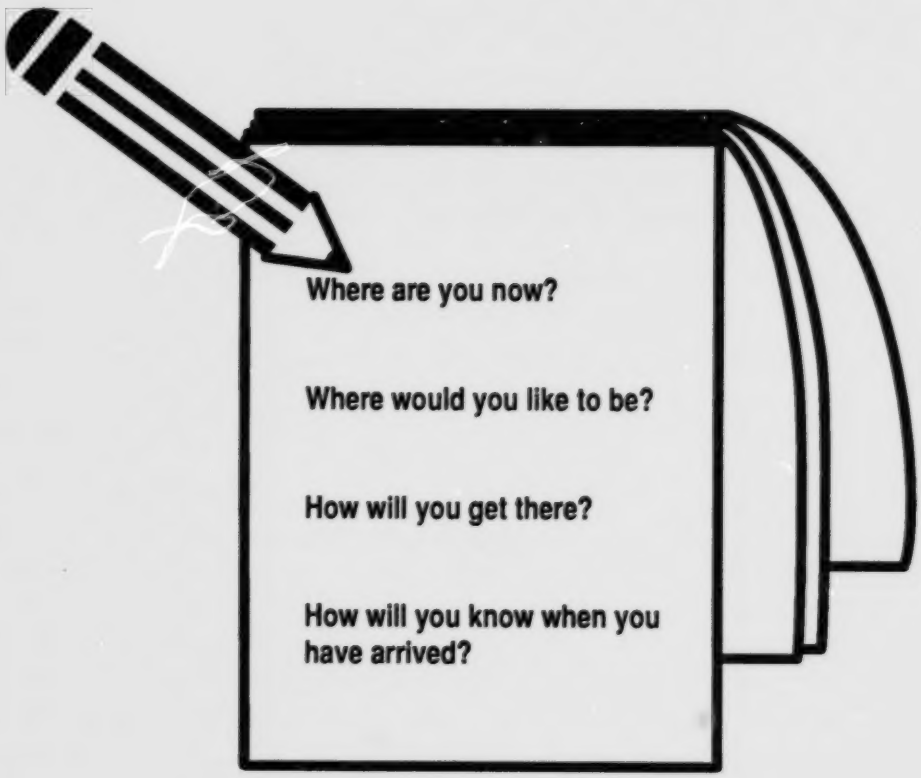
The people who work in your business constitute one of your major marketing forces and their attitude to you, the employer and your customer can make the difference between a satisfied customer and a disgruntled one.

Steps to be Taken in Marketing Planning

The purpose of preparing a marketing plan is twofold:

1. To make sure the nine "Ps" described above are coordinated and consistent and aimed properly at your target markets; and
2. To get the most out of your available but limited marketing resources.

In order to prepare a marketing plan, you need to address four main questions.



Where am I Now?

Situation analysis is the name usually given to the series of steps necessary to answer the question, Where Am I Now? and involves an in-depth look at the following:

- your product (facilities, services and nature of the experience);
- your markets (existing and prospective);
- the community in which your resort is located;
- your competition; and
- the business environment.

PRODUCT ANALYSIS

Take the time to take a fresh look at your product and come to understand what it is that you are selling. In Phase One of the *Fishing Resorts Study*, three types of freshwater fishing resort were identified. These are summarized in Exhibit A.

The steps necessary to conduct a thorough Product Analysis are outlined in the *Product Development* portion of this manual.

MARKET ANALYSIS

The golden rule of marketing in today's world is that no one product in the hospitality industry can appeal to everybody all of the time. The point, therefore, is not to be like your neighbour but to clearly identify who your specific customers are, what they want and how you can satisfy them. This process is called market segmentation and means taking a long look at your existing customer base and trying to understand what is happening to the market for travel so that you can anticipate future change.

For those of you who like hunting, think that your market is your prey. You can either take a shotgun and waste a lot of ammunition shooting in its general direction, or you can pinpoint its location and use one carefully aimed shot with a

Exhibit A
CLASSIFICATION SYSTEM OF FRESHWATER FISHING RESORTS

1. High Quality, Fly-in Facilities

The majority of fly-in facilities are located in remote northern locations and provide a wilderness experience comparable to that provided in the Yukon and NWT. The facility is seasonal, generally operates from June to September and provides from 50 – 100 beds in lodges or cabins. These are full service operations, providing a lounge and dining room for the exclusive use of their guests. Most have been in operation for 20 years or more. These fly-in operations largely offer lake and river fishing, but other outdoor activities associated with remote locations — hunting, hiking, trail riding, and canoeing/kayaking — are also available to their guests. The major species offered from these remote lodges are lake trout, rainbow trout, steelhead and Dolly Varden.

All services are packaged and the avid fisherman is willing to pay a substantial price for a high quality fishing experience in a remote location. Prices per day for all inclusive packages generally are in the $400 – $500 range and many packages are for up to 7 days. Guests are generally from outside the province, in many cases from the U.S. West Coast down to California, and one or two operators have substantial visitation from Europe.

The operators market quite heavily with advertising budgets in the range of $20,000 to $30,000 per facility. They use a wide range of promotional avenues, including brochures, magazine ads, consumer shows, and direct mail.

2. Medium Sized, Family-Oriented Resorts

The medium scale freshwater facilities typically have gross revenues of $100,000 to $300,000 and attempt to offer a quality fishing experience at a modest price. Most guests (63%) drive to the lodge/resort and the facilities cater to short-haul markets. About one-half of the facilities have been in operation for over 20 years and close to half do not own the land on which their operation is located. Some operations, therefore, have aging plant and equipment but do not have the tenure and security needed to support capital investment.

Only 4 of the 17 facilities operate year round and the typical season is from May to October. More than 50% of the medium-scale freshwater facilities are defined as multiple product operations and, therefore, derive more than 10% of their business from activities other than sport fishing. However, while these operations are attempting to diversify their product offerings, their low occupancy rates would suggest these efforts so far are meeting with mixed success. The facilities and services on the property are designed to cater to the basic needs of the sport fisherman. Only a quarter of these facilities offer only packages. Sale of individual services is the norm.

Compared to the larger freshwater facilities, the medium-scale facilities cater more to British Columbia markets (26% of clientele), and to other short-haul markets. However, an additional 5% of the clientele is from Europe (compared to very limited visitation to saltwater properties from European countries).

Compared to larger facilities, medium-scale freshwater facilities cater more to families and couples than to singles and groups.

A typical medium sized freshwater lodge spends about $10,000 per year on marketing compared to average gross revenues of about $140,000 per property. The most prominent forms of marketing and promotion are brochures, magazine ads, the Accommodation Guide and word of mouth.

3. Small/ Lifestyle-Oriented Operations

These freshwater operations with gross revenues less than $100,000 provide basic fishing services in a rustic setting. Many owners appear to operate their facilities as a hobby, as a seasonal residence or to supplement their income. The evidence suggests that few generate sufficient revenue and net income to provide a full salary to their owners. While all 78 operations in this grouping have some from of fixed roof accommodation, about 75% of their guests are accommodated in trailer sites.

Nearly 70% of these establishments have been operating for over 20 years, and only 15% have been established in the past 10 years. Plant and equipment are aging and maintenance costs must be climbing. Better than a third are multi-product facilities and many are attempting to diversify their product offerings in an apparent attempt to capture new markets. Their low occupancy rates suggest their success to date has been limited. Packages are sold by less than one-half of the properties.

These small operations largely focus on the British Columbia market, with local people (17%) and the rest of the province (28%) comprising nearly 50% of their client base. All but 15% of their guests arrive at the lodges by car, and families and couples comprise three quarters of their guests. These operators attract a somewhat younger clientele than other resorts/lodges. The typical small operator spends about $2,500 per year on marketing, which amounts to about 7% of the facilities' annual gross revenues of $36,000. These properties mainly depend on word of mouth, the Accommodation Guide and brochures to get their message across.

Source:
Fishing Lodges and Resorts in British Columbia, Marketing and Development Initiatives, the DPA Group, 1988

rifle. The rifle approach to marketing involves identifying your target and understanding its movements.

Markets can be segmented in a variety of ways. For example, you could divide it by the age of your customers. Or by where they live. By their lifestyles or by the type of fishing experience they are seeking. By their income levels — is money no object or are they budget conscious? Or by a combination of these factors. One of the most common ways of segmenting a market is by geographic origin because it is easier to allocate marketing dollars if you know where to find your market. But if just used on its own, geographic segmentation has its limitations. Not all resort users from Washington, for example, are the same: some want a remote, fly-in experience and are willing to pay $150 a day or more; others are travelling en route to Alaska with an R.V. full of children and need a safe beach, an R.V. site and the chance to catch a few trout for breakfast.

In the case of fishing resorts, there are several approaches to segmentation which you should consider using:

- purpose of trip or type of experience sought;
- interests in fishing (family-fun, competitive, learning, trophy, steelhead, rainbow);
- party composition (family, singles, couples);
- geographical origin;
- socio-economic/income factors (up market, blue collar, yuppies); and
- past use.

The research undertaken for the Association's collective marketing strategy showed that in general terms the market could be subdivided into four targets:

1. British Columbians Oriented to the Outdoors with Family and Friends;
2. British Columbians Primarily Interested in Fishing;
3. Non-Residents (primarily from Alberta and the Western Region of the United States) Oriented to the Outdoors With Family and Friends; and
4. Non-Residents Primarily Interested in Fishing.

The research undertaken for the marketing strategy suggests that approximately 60% of the resident market falls into the family/outdoors category compared to 40% of the non-resident group. The split between resident and non-resident was derived from the Phase One research. These are first and relatively crude attempts at assessing the size of each market segment and need to be updated and revised

as the marketing plan progresses. Appendix A provides a summary of the research into potential British Columbian, Albertan and Washington markets.

Operators should note that the target markets outlined in Exhibit B below, represent merely one of a number of ways that the market can be classified. Exhibit C, which identifies the four target markets, can be used as a template for resort operators beginning the market planning process. Which of these targets does your property cater to the most? Are you deriving business from other sources that this classification does not cover?

In order to help operators identify who their market segments are, a guest survey form has been designed which operators could administer to their guests over the summer. The survey is presented in two parts. Exhibit D contains information which, in its aggregate form, should be shared with the Association, as it will guide the collective marketing plan and help the Association monitor its results

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Exhibit B
FRESHWATER FISHING RESORT MARKET SEGMENTS

	Family/Outdoors	Fishing	TOTAL
Resident	34,000	18,000	52,000
Non-resident	31,000	47,000	78,000
	65,000	65,000	130,000

Source:

estimates made by the consultants from a telephone survey of B.C. license holders

over time. The second part, presented in Exhibit F on page 33, relates to each individual lodge property and should be seen by the lodge owner/manager only.

Thorough market analysis is the essential first step to efficient marketing as the targets drive the choice of media and message that will be used to attract new customers. The operator of an exclusive fly-in resort located in Northern British Columbia whose clientele come primarily for the excellent steelhead fishing will promote his services quite differently from the owner of a rustic resort located within three hours driving time of Vancouver.

COMMUNITY ANALYSIS

Resorts are located within a specific geographical setting which influences a customer's choice of resort. The objective of the community analysis is to take stock of the community and or region in which your property is situated in order identify complementary products, programs and services. Many clients of freshwater fishing resorts are in fact looking for alternative recreational activities to fishing. By surveying other suppliers of recreation services in the immediate neighbourhood, opportunities for packaging and joint promotion may materialize.

Exhibit C
TARGET MARKETS

Target 1
Resident: Family-Oriented Market

This is the segment of the resident market that the resort product, as it currently exists, appears to be attracting. User surveys indicate that these residents want an accessible and affordable resort experience in high quality natural surroundings where there are opportunities for recreation and family togetherness. The majority of this market is likely to be middle income families and couples of a wide variety of ages who drive to the resort by car.

The potential for this resident market is confirmed by the findings of the British Columbia Resident Survey conducted in 1985. That research found that most British Columbians would consider travelling in B.C. for a short three day trip, but the province lost its appeal as the trip length increased. Most domestic trips are made by car, are relatively short in duration, and do not cover long distances. British Columbia's appeal to this market is a function of the province's natural beauty, the fact that it's close to home and good for camping, fishing, and outdoor activities. While on average half of all domestic travellers said they went lake or stream fishing while travelling in British Columbia, freshwater fishing was most likely to be undertaken by couples resident in medium-sized towns throughout the Province, in blue collar occupations and earning low to mid personal incomes.

In order to build on the existing market and attract more budget conscious families to try the resort experience, the challenge facing the B.C. Fishing Resorts and Outfitters Association as well as individual operators will be to:

- entice and inform;
- position the product as accessible and affordable (just a short drive away);
- offer family fun and togetherness;
- stress the hospitality of the hosts;
- stress the healthy environment, the opportunity for renewal; and
- package new products — Kid's Kamps, Family Fishing Schools etc.

The primary target markets are likely to be located in family, suburban areas and smaller towns. Since many of these customers will include grandparents, a more focused approach to the senior market may well prove fruitful.

There is also the potential to attract a more affluent, urban market of families in which both parents are working, and where there is greater disposable income but less disposable time. This market will be more demanding in terms of amenities and accommodations, but looking for brief vacations that afford an opportunity for "escape", renewal and family togetherness. This market is more likely to respond to images that stress: unique, unusual adventures, i.e., make it different; getting away from urban pressures — the country retreat concept; and which provides pampered, all inclusive services — "we do it all for you".

Target 2
Resident: Fishing-Oriented Market

This market is more clearly defined in that the majority already fish and have purchased fresh water fishing licences in the past. The survey of licence holders suggested that one in three licence holders prefered to "stay at a lodge where they can concentrate on fishing". They number approximately 100,000 people. A further 29% of the domestic licence holders have not stayed at a lodge but would consider doing so in the future. This group numbers 85,000. Thus the total potential market of enthusiastic anglers who might be persuaded to stay at a B.C. resort numbers approximately 185,000. This target market differs from the first in that its members value both the lodge's amenities and services as well as the quality, size and species of fish as more important. They are also willing to pay a higher price for the resort providing their expectations are met. They consider that British Columbia offers a very high quality resource but need to be persuaded to include a resort stay as part of their enjoyment. Many members of this market are keen anglers interested in specialty species such as rainbow trout, steelhead, etc. Some will be enthusiastic fly-fishermen; others will want to compete for trophy fish.

Compared to Target 1, this market can be accessed via more direct means such as advertising and articles in specialty magazines, direct mail, promotions with tackle and clothing manufacturers and retail outlets, sportsmen shows and through the use of fishing celebrities, etc. The capacity available to service this market is limited. Many of the successful "fly-in" facilities and resorts located on popular steelhead rivers are already fully booked early in the season. In order to exploit the potential of target 2, the industry will require further investment for upgrading and or constructing new resorts located in superior fishing areas.

Target 3
Non-Resident: Family Outdoors-Oriented Market

This target market is likely to be similar to Target 1 in terms of motivation, preferences and expectations. Their average length of stay at a resort is also likely to be higher as they will have come from further afield and the resort stay is more likely to be part of a vacation rather than a "get away break". The further away this market comes from, the greater the competition from "intervening opportunities." The primary non-resident markets will be derived from the following:

1 Western U.S.A.

According to the *National Sporting Goods Survey of American Recreation Patterns* in 1987, approximately 5.4 million residents of Washington, Oregon and California fish in a lake or stream at least twice a year and could conceivably be interested in a vacation at a freshwater resort in British Columbia. Residents of this region spend $1.6 billion on fishing in their own state, of which $700 million is spent on food and lodging while engaging in this recreational activity. Since their out-of-state fishing related expenditures are in addition to these totals, it is clearly a large and lucrative market.

Relatively short, "get away" packages targeted at Seattle, Spokane and Wenatchee, are likely to bring greatest results out of the northern part of this region. Many Californians who are headed for Alaska or taking a longer tour of the Pacific Northwest need to be informed of the fishing resort opportunities. In all three states, there is a need to stress the quality, unpolluted and uncrowded natural environment, and the opportunities for family togetherness and fun in safe, comfortable and hospitable surroundings. Americans already perceive Canadians to be particularly warm, friendly and hospitable so the role of the host should figure prominently in images directed at this market.

2 Alberta

While Albertans account for 9% of the licence market, they are a less important source of business for the B.C. fishing resort sector as only 16% had used commercial accommodation as part of their fishing experience. The research suggests that most anglers from Alberta will be camping or staying with friends and relatives. They are price sensitive but rate the size and volume of catch as important. A larger proportion of Albertans are interested in a recreational experience with family and friends, than are visitors from Washington. Marketing efforts should be focused more on Northern Alberta and Edmonton, rather than Calgary and Lethbridge. Southern Albertans could be attracted to the fishing resort opportunities in Montana.

Target 4
Non-Resident: Fishing-Oriented Market

According to the *National Sporting Goods Survey of American Recreation Patterns* in 1987, approximately 1.3 million residents of Washington, Oregon and California fish in lakes and streams more than twenty times a year and could conceivably be classified as enthusiasts. Across the whole country, these frequent participants in freshwater fishing number 13 million.

Those enthusiasts who could be attracted to British Columbia are most interested in steelhead, fly-fishing, or competitive trophy fishing. While many have positive perceptions regarding the quality of our fishery, this knowledge and awareness should not be taken for granted but reinforced with the message that British Columbia offers some of the best lake and stream fishing in the world. Specialty magazines, special promotions with tackle manufacturer's and retailers, direct mail to clubs and large corporations, videos distributed via cable networks, and attendance and aggressive promotions at sportsmen shows are all viable media for reaching this audience.

While this market is potentially international in scope — British Columbia's product is recognized throughout the world — it will only be realistic to develop carefully focussed campaigns via the specialty media in Western U.S., the Mountain Region (Wyoming, Utah, Colorado), Eastern Canada and the Eastern Seaboard for the next few years.

The telephone survey results of Washington residents suggests that this origin market are more inclined to stay at a B.C. lodge or a resort than their Albertan counterparts, and are more interested in the quality of fishing than the availability of alternative fishing activities. The selection of a resort is directly related to the species of fish available — two out of every three Washington licence holders rated fish species as important compared to only 30% of the B.C. resident licence holders.

Source:
A Marketing and Development Plan for the Freshwater Fishing Resorts of British Columbia

Exhibit D
SAMPLE GUEST SURVEY FORM

Forward

Start your survey with a polite friendly introduction as to who you are and that their co-operation in completing the questionnaire/survey will be greatly appreciated. Their response will ensure that you can continue to serve your guests in the highest standard.

1 ***Where do you reside? (check one)***
- ❑ Province of B.C.
- ❑ Another province, please specify .....
- ❑ U.S., please specify state .....
- ❑ Outside Canada and the U.S.A., please specify .....

2 ***How many times have you stayed at this establishment?***

3 ***How many times have you been fishing this year?***

For the day only .....
Overnight only .....
Weekends .....
Vacation periods longer than 3 days .....
Vacation periods longer than 5 days .....

4 ***How many times have you taken "fishing only" vacations***

In the last three years? .....
In the last five years? .....

5 ***How many people were in your party on this trip?***

Adults M .....
Adults F .....
Children .....

6 ***How many people do you generally travel with on a fishing trip?*** .....

7 ***Why did you choose to stay with us?***
- ❑ Ease of access to hometown
- ❑ Travelling companion's choice
- ❑ Location of fishing in the province
- ❑ Species of fish in this location
- ❑ Remoteness
- ❑ Facilities provided in addition to fishing
- ❑ Nearness to other major tourist attractions
- ❑ Type of accommodation offered
- ❑ Saw advertisement
- ❑ Other

8 ***What is the "primary" reason for this stay?***
- ❑ On fishing vacation only
- ❑ On fishing/recreation vacation combination
- ❑ Visiting friends/relatives in the area
- ❑ This is a side excursion/extension of a business trip
- ❑ Other, please specify

9 ***How far in advance did you start planning this trip?***
- ❑ 2 weeks before
- ❑ 2 weeks – 2 months before
- ❑ 2 – 6 months before
- ❑ 6 – 12 months before
- ❑ over a year

10 ***Which of the following statements best describes your fishing activities?***
- ❑ I look for a facility where I can concentrate on fishing only
- ❑ I look for a facility that provides some activities besides fishing
- ❑ I look for a fishing region that provides many activities besides fishing

11 ***Please indicate to what extent our facility satisfied your expectations***

	Very satisfied	Somewhat satisfied	Not very satisfied	No point of view Did not consider
Cleanliness	1	2	3	4
State of repair	1	2	3	4
Quality of service	1	2	3	4
Quality of restaurant	1	2	3	4
Value for the price	1	2	3	4
Availability of non-fishing activities	1	2	3	4
Atmosphere	1	2	3	4

12 ***What other fishing destinations are you planning in the next 12 months within B.C.?***

.....

13 ***What other fishing destinations are you planning in the next 12 months outside B.C.?***

.....

14 ***What other fishing destinations are you planning to visit in the next three years?***

.....

15 ***When/how soon will you return to this facility?***

.....

and finally, just a few questions about yourself .....

16 ***Age:*** ..... ***Marital status:*** ..... ***Children:*** .....

17 ***Please check the appropriate range of your total household income***
- ❑ US$
- ❑ Cdn$
- ❑ Under $20,000
- ❑ $20 – $30,000
- ❑ $30 – $40,000
- ❑ $40 – $50,000
- ❑ $50 – $60,000
- ❑ Greater than $60,000

Where Would I Like To Be?

The end result of the situation analysis should not be just a description of the status quo but a true identification of market opportunity by market segment, placed in order of priority.

SETTING MARKETING OBJECTIVES

Next comes the important task of setting objectives. As a rule, these should be:

- specific;
- stated in terms of desired results;
- expressed in quantitative terms, so that actual results can be measured; and
- achievable within a specified period of time.

Since your capacity to accommodate visitors is finite, you should calculate the potential capacity and realistic sales targets for each market segment. Sales targets can be expressed in terms of revenue and room nights.

Capacity will be based on the number of room nights available for sale and this, in turn, will depend on the number of units and the length of the operating season. Exhibit E shows a hypothetical case of a marketing plan expressed in quantifiable terms and broken down by market segment. The facility has eight cabins and six rooms in a main lodge and is open year round. Since most cabins are not filled by two couples but by a mixture of singles, families, couples and groups, past experience suggests that over the course of a season, the average per person occupancy of a cabin with four beds was 2.5 persons; realistically, the capacity over the course of the year is 7,300 cabin-room nights and 5,475 lodge-room nights.

This hypothetical resort caters to a number of complementary markets, most of whom are seeking a quality outdoor recreation-oriented experience. The primary market are vacationers on an American Plan who generally stay 5 nights and pay $125 per person per night. Because the resort is located within easy access of a major touring route, a bed and breakfast plan is promoted to the drive through tourist. In the peak fishing season in June and September when enthusiastic fishermen are attracted to the area, the operator packages entomology classes and fly-casting clinics. In the height of the summer when the fishing is not as good,

Exhibit E Set of Marketing Objectives for Hypothetical resort

Capacity	Jan	Feb	Mar	April	May	June	July	August	Septe	Oct	Nov	Dec	Totals				
No of Cabins	8	8	8	8	8	8	8	8	8	8	8	8	12				
Sleeping Capacity Per cabin	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5				
Number of Persons	20	20	20	20	20	20	20	20	20	20	20	20	360				
Days in the Month	31	28	31	30	31	30	31	31	30	31	30	31	365				
Room-nights	620	560	620	600	620	600	620	620	600	620	600	620	7300				
Number of bedrooms in Lodge	6	6	6	6	6	6	6	6	6	6	6	6	10				
Sleeping Capacity per room	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5				
Sleeping capacity in Lodge per night	9	9	9	9	9	9	9	9	9	9	9	9	15				
Days in the Month	31	28	31	30	31	30	31	31	30	31	30	31	365				
Lodge Room-nights	279	252	279	270	279	270	279	279	270	279	270	279	5475				
Total Room-nights	**899**	**812**	**899**	**870**	**899**	**870**	**899**	**899**	**870**	**899**	**870**	**899**	**10,585**				
Number of Guests Per Night (if full)	29	29	29	29	29	29	29	29	29	29	29	29	348				
Potential Number of Guests per Month	358.6	324.8	359.6	348	359.6	348	359.6	359.6	348	359.6	348	359.6	4,234				
														Length of		Revenue/	
Source of Room Nights Sold													**Room-Nights**	**Stay**	**Customers**	**Rm. Night**	
Vacationers - American Plan	150	100	100	100	150	150	150	200	300	150	150	120	1820	5	364	125	$227,500.00
Touring (B & B plan)	60	60	60	75	200	150	200	300	200	150	100	100	1655	1.5	1103	85	$140,675.00
Weekend getaways (2 Nights)	200	100	100	140	200	200	200	200	200	250	140	60	1990	2	995	100	$199,000.00
Clinic Packages (5 nights)						175	160			120			455	5	91	150	$68,250.00
Adventure Packages						100	160	150	150	120			680	3	227	100	$68,000.00
Cross Country Ski Packages (3 nights)	200	300	200	100								150	950	3	317	100	$95,000.00
Christmas Specials (5 nights)												100	250	5	50	125	$31,250.00
New Year Specials (4 nights)	80												80	4	20	125	$10,000.00
Total Sales Projected	**890**	**560**	**480**	**415**	**550**	**775**	**870**	**850**	**850**	**790**	**390**	**530**	**7730**	**2.44**	**3167**	**108.626**	**$839,675.00**
Occupancy	77%	69%	51%	48%	61%	89%	97%	95%	98%	88%	45%	59%	73%				

the operator sells his rooms to an adventure tour operator who has combined a stay at the resort with a river rafting and heli hiking experience package which is sold mostly off shore to the German market. Since the resort is less than three hours driving distance from a major urban centre, but also close to a regional recreation area with groomed trails, the operator is able to offer cross country ski packages in the winter. Since the operator has limited experience with this product line, he sub contracts out the management of the resort during the winter months to another couple for a percentage of the revenue.

SELECTING MARKETING STRATEGIES

This step involves deciding how you will meet the marketing objectives you have set. There are three kinds of strategy to consider: differentiation, segmentation and a combination of both.

- ### Differentiation

  This strategy emphasizes the difference between your business and your competitor's. For example, your guiding service, the quality of your meals and the nature of the fishing may all have unique selling points.

- ### Segmentation

  This strategy aims at well-defined target market groups or segments. For example, if you are aiming your product at budget conscious families who are interested in an inexpensive, unstructured family vacation and a chance to do a lot of recreational activities, you would emphasize variety and affordability. If you were aiming at the enthusiastic fisherman, you would emphasize the number, quality and size of fish and perhaps communicate your code of ethics and involvement in conservation.

- ### Differentiation/Segmentation

  Having identified your priority target markets, you then emphasize your unique selling points in order to differentiate yourself from the competition.

How will I Get There?

By this stage, you will understand the strengths and weaknesses of your product, you will have a thorough understanding of your market and their needs and preferences, and will have set some objectives for your performance as a company. Now is the time to specify the tactics or activities you will use to reach those objectives. Exhibit G, located at the end of this chapter on page 34 provides a list of those activities most appropriate to the fishing resort sector. Your selection of activities should reflect your product type, your target markets and your budget.

PARTICIPATION IN COLLECTIVE MARKETING ACTIVITIES

Association Membership

Few if any operators in the freshwater fishing resort sector of the tourism industry are big enough to go it alone and market their lodge 100 percent independently. The research has shown that there is both a need and an opportunity to promote a fishing resort experience as an attractive alternative to many other competitive ways of spending leisure time and dollars. This will take collective action and the marketing plan has recommended that the implementation of a collective marketing plan be undertaken by the B.C. Fishing Resorts and Outfitters Association.

If resort operators want to benefit from this collective marketing activity, they will need to support their association. Partly because of the confusion that has existed, however, concerning the roles and responsibilities of the regional and vertical sector associations, it has been recommended that a joint approach to obtain industry membership and support be discussed. Ideally, an agreement might be reached whereby a resort operator pays one cheque which enables him or her to access the benefits supplied by three complementary organizations, the roles and responsibilities of which are outlined below:

> *"The B.C. Fishing Resorts and Outfitters Association will focus on sector-specific marketing (i.e., encourage consumers to have a fishing resort experience in British Columbia) plus on-going advocacy activities associated with protecting the resource*

base. It should be positioned as the source of information regarding freshwater fishing tourism in the province.

The regional tourism associations will concentrate on destination specific marketing aimed particularly at the touring market. Fishing will be presented as one of several activities and products that make a region attractive as a vacation or touring destination. While the regions should be supplied with freshwater fishing fulfillment material in order to be able to respond promptly to inquiries, their marketing focus will be on presenting the region as a destination.

The B.C. Motels, Resorts and Campgrounds Association will focus on providing group member benefits such as credit card discounts and the advocacy and educational activities associated with this aspect of the lodging sector. Co-sponsorship of business seminars should be investigated as many management/operational issues are common to all types of resort and campground."

Directory Listing

The Freshwater Fishing Guide is the key collective fulfillment piece for the resort sector and all association members should be listed in it. *The Marketing Plan* recommends various changes to *The Freshwater Fishing Guide* which are summarized below.

Background

The Association, in cooperation with the Ministry of Tourism, published its first *Freshwater Fishing Guide* in 1989. This brochure is the primary fulfillment piece for the freshwater resort sector as a whole. It contains appropriate "lure" messages, with accompanying photography and the listings of the various resorts, by a good range of different categories (geographic, type of accommodation and to some degree, species).

The publication is privately handled by *B.C. Sport Fishing Magazine* and as such relies on "selling" advertising space to member resorts with matching grants by the Ministry. As a consequence, it tends to give added weight to those who can afford, or choose, to advertise more than others and results in a variety of advertising styles, formats and messages that distract the reader. While an excellent first start, a number of changes are recommended.

Recommendations

The guidebook should be an official publication of the Association that is designed to entice and inform the consumer regarding fishing resort vacation opportunities. Instead of purchasing an advertisement and supplying camera ready art, each member would receive an attractive, comprehensive and professionally designed four colour listing according to a classification system designed by the Association.

For example, those resorts deemed to be Class A would receive a 1/2 page listing, those of Class B would receive a 1/4 page listing and the balance, Class C, would receive a 1/8 page colour listing. Full colour listings will add to overall cost but produce much better product. The classification system would be related to price of the product and the quality and number of amenities. The cost of each listing would range from $300 for a class C listing to $800 for a Class A listing. The association would specify which material should be included and would supervise consistent use of terminology to enable the consumer to make an informed decision.

The association would contract with an external publisher to produce the guide on a cost plus basis.

Advertising (mostly full page) could be sold to the Ministry of Tourism and Provincial Secretary, the tourism regions, and large suppliers of fishing tackle, equipment and clothing as the means of reducing costs.

Circulation of the directory should be increased substantially (from its present 65,000 copies to over 250,000). It should be distributed as follows:

- at sites where fishing licences are sold;
- as fulfillment for advertising generated inquiries;
- via travel shows; and
- for direct mail to selected travel agents and wholesalers.

The *Freshwater Fishing Regulations* should be reduced in length by eliminating regional resort information, and supplier advertising. The *Regulations* should be paid for by the Ministry of Environment, Recreational Fisheries Branch. It is not considered appropriate to use this publication as a promotional piece for the resort sector.

The content of the *Directory/Guide* should be structured as follows:

Section 1
Inside the front cover, there should be an introduction, a simplified provincial map that shows the regions and major highways, and a table of contents. (2 pages)

Section 2
A general lure image section that combines copy and quality illustrations to promote British Columbia as the place to enjoy freshwater fishing. It should highlight the diversity of experiences and geographical settings. It should promote the resort or lodge as providing the best opportunity for enjoying this recreational activity. (2 pages)

Section 3

A section on Product. This section should comprise a number of articles with supporting graphics and photos that demonstrate the variety of ways that consumers can enjoy the fishing product. It could potentially include such topics as:

- How to Fish;
- Family Fun;
- Drive-in Resorts (i.e., show how accessible some resorts are to the urban centres of Vancouver);
- Fly-in Resorts;
- The Steelhead Experience;
- Rainbow Opportunities;
- Guides — How and Why to Use One;
- Specialty Camps;
- Kids Kamps; and
- Fish'n Tour (i.e., show some touring routes, especially the route to Alaska, and some fishing resort opportunities located nearby).

Specialty products will be linked to a symbol or classification (e.g., plane for fly-in, car for drive in, A for near Alaska highway, etc.). Resorts in each category will be given appropriate symbols in the listing section below.

Section 4

The listing section should ideally be placed at the centre of the publication. Each listing should comprise a name, number, photo of the resort, description of facilities and amenities, appropriate product symbols and, most importantly, a map reference number. Readers browsing through the listing section could then locate a resort of interest with relative ease. By scanning through the listings, the product symbols will enable the reader to quickly qualify a resort.

Section 5

A regional section would conclude the publication. Each sub section would describe the unique features of the region from a fishing perspective and combine copy and illustrations with a map of the region. The resorts' location on the map would be shown using its locator number and symbols. A consumer interested in steelheading in the North by Northwest region could therefore glance at the map and see instantly which resorts in that area specialized in steelhead, fly-in fishing. A consumer interested in travelling the Yellowhead Highway with a family and R.V. could easily find those

resorts located near the highway that offered R.V. sites and were family-oriented.

Research

In order to guide the collective marketing effort and to strengthen the clout of the Association when lobbying for resource protection or more attractive financing support programs, etc., the Association will need comprehensive information on the impact of the industry, its economic performance over time, as well as sources, motivations and expectations of its customers. This information can only be supplied by the operator, and a willingness to share information regarding individual operations should be a pre-requisite of access to collective marketing programs. **The information that is collected by the Association will be analyzed by an independent third party on a confidential basis to ensure that no operators can take advantage of information.**

Exhibit D, referred to in the *Market Analysis* section of an earlier chapter, provides a sample of the kind of survey that operators are encouraged to administer to their guests.

SALES PROMOTION

Brochure

Of all the sales support materials, the brochure is the most important. Since many customers cannot view the resort prior to arrival, they are directly dependent upon indirect information. The brochure literally can make or break most sales.

Your brochure need not be elaborate or expensive. A well-written, well-designed, one-fold, black and white brochure can work just as effectively as a much more expensive "work of art".

Design

The type of brochure you design will depend on the following:

- your target market;
- the intended role of the brochure;
- the reasons your customers buy from you; and
- the size of your promotion budget.

You may need more than one brochure if you have several target markets that differ significantly in their interests and motivations.

Nearly all brochures should contain the following:

- name of the facility and logo;
- illustrations of major features, facilities and services;
- descriptive text and copy;
- selling or motivational copy, highlighting the appeal to the customer and your unique selling points;
- business location, address, telephone and telex number; and
- a map showing how to get there.

Detailed information on prices, discounts, travel booking procedures and terms, deposit requirements, conditions for cancellations and refund claims should be provided in a separate insert, which can be updated and replaced as and when required.

The most important aspect of the design of the brochure should be to capture the reader's attention, raise interest, create a desire and general action that leads to purchase.

Distribution

There are a number of distribution channels that you can use to get your brochures into the hands of the right people. The main ones are:

- direct mail to past and prospective customers;
- regional tourism associations, information centres, the Ministry of Tourism and Provincial Secretary and Tourism Canada offices world-wide;
- transportation centres such as airports, ferry terminals, travel agencies; and
- consumer and travel trade shows.

Cost

5,000 copies of a 4 colour brochure, printed on 8.5 X 17 stock with four folds will cost between $3,000 and $3,500 for layout, printing and proofing.

Video

More and more tourism attractions are using videos to sell their properties as the combination of visual imagery with a soundtrack can be more effective in communicating the intangible atmosphere of a resort than the written word. However, videos are very expensive and are only suitable for resorts with a gross

operating revenue exceeding $150,000, and only providing that some method of subsidy is employed.

In the collective *Marketing Plan*, it is recommended that a series of complementary videos should be produced through the creative editing of existing material combined with the addition of "fresh footage." Each promotional video for the *Freshwater Fishing Product* would last 8 – 10 minutes and be comprised of two elements: first, a core generic piece (8 minutes) that sells British Columbia as a destination, and a stay at a resort as a unique enjoyable experience. It will feature the spectacular scenery and the warm hospitality and special skills of the resort owner and guide/outfitter. The second briefer component, will be a two minute feature of a particular resort, paid for exclusively by the individual operation.

The videos can be used at trade shows, for Cable T.V. presentation, and for features on fish-related TV programming. Individual operators can sell them or rent them as information/fulfillment pieces. They can be offered at a subsidized price to those wholesalers and top producing retailers who request copies for showing to clients. The video can also be rented out or sold for display in tackle/ outdoor clothing retailers.

Trade Shows

Because the relationship between the guest and the host is such an important part of the vacation experience, most operators have found that personal selling is the most effective way of reaching revenue targets.

Appendix C provides a list of travel shows most relevant to the freshwater fishing sector. Take the time to write to each of the show organizers asking for information regarding projected volume of attendance and type of visitor, and select those shows on the basis of audience composition and geographical focus.

Travel Shows are most important for those operators who have packages exceeding $100 per day in price. Operators with accessible, low priced product, aimed largely at the touring/camping/budget conscious market cannot really justify the cost of attending shows, and would be better advised to rely on the Association's collective marketing efforts.

In the *Marketing Plan*, the following recommendations were made regarding Association participation at travel shows:

> *"A marketing co-ordinator should be retained to supervise and co-ordinate all collective marketing programs that relate to the marketing of freshwater fishing resorts in British Columbia.*
>
> *A trade show booth for British Columbia's Freshwater Fishery should be designed*

and selected shows in key markets should be attended by the Marketing Co-ordinator. The primary shows worth attending are listed in Appendix B.

In addition to distributing brochures and rate sheets for Association members, the marketing Co-ordinator should be able to take bookings and receive deposits on behalf of Association members. A simple computerized data base of member's products could be established at low cost and set up at the booth.

The task of the Marketing Co-ordinator is to stimulate interest in B.C.'s freshwater fishing vacation opportunities and facilitate sales. It is a specifically merchandising function that neither the Ministry's personnel nor regional tourism managers are mandated to perform.

The Marketing Co-ordinator should attempt to maximize publicity in local media prior to and during the show event through the provision of press releases, participation on talk shows and joint promotions with tackle companies and fishing celebrities.

The booth should be equipped with a TV screen so that videos of the product can be shown.

At the show site, trained speakers should be used to make presentations on topics of interest to show audiences. Of equal importance is the need for a 'closing area' on the show floor where operators can 'close deals' with interested purchasers.

In addition to attending shows at the centres listed in Appendix B, participating operators and the Marketing Co-ordinator are encouraged to take the extra time to visit smaller communities and organize special presentations at a local hotel. Members of fishing and outdoor clubs, R.V. owners, members of service associations and automobile clubs, and corporate representatives could be invited to attend a 'Fish British Columbia' evening in which vacation opportunities at B.C. resorts are highlighted."

Appendix C provides a useful *Trade Show Costing Form* and Appendix D lists helpful hints for getting the most out of a trade show.

ADVERTISING

Advertising is the way you promote the features of you business to potential customers, using various communications media such as newspapers and magazines, radio and television, and direct mail.

The benefits of advertising tend to be long-term and cumulative; the short term gains are often negligible. As a result, a few "one-time" advertisements placed here and there will probably have little effect. A well planned, well-directed advertising campaign, however, sustained on a consistent basis over a period of time, will almost always increase volumes.

The advertising media chosen will depend directly upon the primary target market that the operator wishes to reach. In the *Association Marketing Plan*, a clear

distinction was made between the family-oriented consumer, and the enthusiastic angler.

Newspaper Advertising

In order to reach family-oriented markets, increased use of daily and weekly community newspapers was recommended. More specifically, the plan recommended the following:

Rationale

The target market (middle income families located in urban centres of Greater Vancouver, Victoria, Prince George, Edmonton, Calgary, Spokane, Seattle and Bellingham) needs enticement and information regarding the array of vacation opportunities offered by British Columbia's freshwater fishing resorts.

Medium Message Placement

a) An annual supplement/flyer version of the *B.C. Freshwater Fishing Guide* should be inserted in major daily newspapers in Greater Vancouver, Victoria, Prince George, Edmonton, Calgary, Spokane, Seattle and Bellingham in late April. The flyer should be newspaper format, and 4 – 6 pages. The flyer would contain advertorial on the benefits of a resort vacation, the diversity of species, an introduction to the regions and a provincial and regional map which relates to the directory of resort listings. The Call to Action would combine an invitation either to write for the four colour directory of resort vacations or to call a toll free line to a fulfillment house/reservations centre capable of sending brochures on specific properties and or handling booking requests.

   In order to maintain equity between properties, individual suppliers would not be permitted to advertise in the flyer, but could purchase ad space in the same issue of the newspaper in which the ad supplement was inserted.

   Additional advertising revenue to support the flyer would be solicited from other beneficiaries such as domestic airlines, rental car companies, gas stations, tackle manufacturers, restaurant chains, outdoor clothing retailers, etc.

b) 1–3 newspaper ad layouts for insertion in weekly community newspapers, two times a year. The ads would be generic in context and encourage readers to call a toll free line to get the *B.C. Freshwater*

Fishing Guide. Copy would relate to family fun in natural surroundings of scenic beauty, hospitality and affordability. The placement schedule would be made available to all B.C.F.R.O.A. members so they could place operation-specific ads if they wished. Wherever possible, the ads would be supplemented with articles and reviews of *B.C. Fishing Resorts* in the Travel Section.

The key to success from the operator's perspective is to be able to take full advantage of the collective marketing effort. A resort ad placed in isolation will be less effective than an advertisement placed in the issue of a magazine that contains editorial and advertorial enticing consumers to think of trying such an experience. Operators should make it their business to know well in advance the association's collective advertising schedule.

Specialty Magazines

Resort operators who know that their clientele are more enthusiastic, keen anglers will prefer to place their advertisements in specialty fishing magazines. Appendix E provides a list of specialty magazines, their circulation figures and readership profiles.

The marketing plan recommendations pertaining to specialty magazine advertising are as follows:

Rationale

According to the survey research, this market of keen anglers has a high awareness of and appreciation for the fishing resource, but lacks an awareness of the vacation opportunities offered by the resorts. Since their resort selection criteria are different to the family market, a separate campaign that places greater emphasis on the fishing is recommended.

The strategy behind selecting and advertising in specialty/targeted magazines is twofold:

- increase consumer awareness of the fishing resorts of British Columbia; and
- use the advertising buy as leverage to get a feature editorial story on freshwater fishing in British Columbia with additional future editorials.

Given the limitations available to creatively tell the B.C. freshwater fishing story within a one page or 1/2 page advertisement, it is important to use the ad space to provide an avenue to additional information which will help make the sale, i.e., a generic sell of B.C. fishing, plus call to action via a 1-800 number and access to the directory or supplement.

More important, however, is the need to use a commitment to ad purchase as a means of building a positive P.R. relationship with the magazine, and achieve at least one feature editorial per magazine per year. If the editorial is not obtained as part of the price of the ad, then the value of the magazine is significantly diminished. British Columbia has leverage for editorial, especially if a free fam tour for the magazine or writer is provided. The importance of establishing a positive relationship with the editors of the magazine cannot be underestimated. Press releases should be mailed out regularly along with new resort videos and brochures, and feature stories written by the travel writer hired by the Association.

Medium Message

Three ad layouts are recommended for insertion in selected fishing and outdoor-oriented magazines aimed at fishing enthusiasts located in British Columbia, Alberta, Washington, Oregon, California and selected mountain states. The imagery and copy should focus on the quality of fishing plus the quality of resort amenities to be found in British Columbia.

In light of the cost of such ads, the majority will be half page or 1/4 page in size. The copy should relate to British Columbia's scenic beauty, the challenge of the species, the size and number of the catch and the resort amenities.

One ad should feature Steelhead and focus on B.C. as the place for this type of experience; another ad should feature B.C. as the rainbow capital of North America; and the third should feature the natural setting and diversity of fishing opportunity.

Placement and Cost

It is recommended that the Association budget $70,000 – $75,000 for this tactic. A variety of specialty magazines were reviewed in terms of their circulation, expense and suitability and the following placement program recommended.

1. Regional specialty publications such as *B.C. Outdoors* and *B.C. Sportsfishing Magazine* should be the first priority for any advertising/ editorial, with approximately $20,000 allocated to these publications. Their combined circulation is approximately 54,000.
2. *Fly Fisherman* has a circulation of 145,000 American readers, of which 45% are based on the West Coast. It has already published several feature articles on the British Columbia freshwater fishing product, and appeals to the fishing enthusiast. One full-page, four-colour ad placed 3 times a year would cost $18,000.

3. *California Angler* is a monthly, glossy publication that covers both fresh and saltwater fishing. Advertising in this publication is recommended if a major feature can be negotiated. Last December the magazine featured British Columbia. A full-page, four colour ad should be placed three times leading into the fishing season and individual operators with product suitable for a more demanding clientele should be encouraged to take out classified ads at the same time.
4. *Fishing World* is one of America's leading magazines for serious sport fishermen and is published bi-monthly. Editorial is totally directed to the sport of fishing, with an emphasis on how and where to fish and written for the dedicated angler. While the total circulation exceeds 300,000 copies, ads can be placed in regional editions at relatively low cost. A one-page, four colour ad, placed 3 times per year in two regions would cost $12,000.

OTHER PROMOTIONAL ACTIVITIES

It is often the small touches of service that customers remember. The complimentary morning coffee along with a newspaper delivered to the room with the wake-up call could be the thing most remembered by your guests. This information is vital to improving, amending, deleting or adding service to your operation.

A "Guest Trip Evaluation" form left in each room can be an effective way of obtaining feed-back from your customers. A sample form is presented in Exhibit F.

Other possible promotional activities might include the following:

- paper napkins imprinted with your logo and telephone number;
- matches imprinted with your logo and telephone number;
- a postcard picturing your facility and fishing;
- baseball and fishing hats;
- t-shirts; and
- pens imprinted with your logo and telephone number.

These are excellent souvenirs and, while napkins, matches and pens are give-away items, the other items can be sold.

Exhibit F
GUEST TRIP EVALUATION FORM

	Rating			
	Excellent	Good	Fair	Poor
Pre-Trip Information				
How do you rate the availability of information on fishing in B.C. from within your hometown?				
Pre-Arrival				
How was your initial inquiry/reservation handled by the staff at our facility?				
On-site				
Sleeping accommodations				
Quality of the fishing experience				
Quality of service				
Alternative excursions/activities				

What was your most memorable activity? _____

Will you stay with us again? ❑ Yes ❑ No ❑ Don't Know

Do you feel that we have the type of place that you feel you could recommend to others? ❑ Yes ❑ No ❑ Don't Know

How far in advance did you plan this trip? _____

How did you hear about us? _____

Comments _____

_____

Name and address (optional) _____

_____

_____

Exhibit G

SOME PROMOTIONAL ACTIVITIES RELEVANT TO THE FISHING RESORT SECTOR

Promotional Activities

Advertising, personal selling, sales promotion, publicity, public relations, direct mail

Advertising

- set your overall budget
- select your target markets (refert to Exhibit C)
- select the regions/towns where you wish to advertise
- articulate a theme and message
  —make your product a friend, not a stranger or acquaintance
  —show specific knowledge about fishing
- set the time frame to accomplish the communication task
- set a method of measuring the results of the advertising campaign

If you are uncertain about what your ad should look like (visual appeal) it is a good idea to scan a number of *National Fishing Advertisements* and clip/tear ads which appeal to you.

Take into account:

- amount of colour used to make it effective;
- size and shape of ad;
- bordering used;
- what copy is highlighted/in bold type captioned/ written on angle; and
- typefaces used (styles of lettering).

Publications (magazines and newspapers) classified and display sales departments will provide you with a **media kit**. This details statistical information on their readers (reader profiles), provides production specfications, advertising rates and often a copy of their most recent issue.

Graphic artists, typesetters, printers, and perhaps even students at a nearby college will assist you with production details.

Personal Selling

Personal selling has the advantage of putting you face to face with your customer. As it is also time-consuming and expensive, you must select your target groups with care. Use both your past customer records and listings of local firms, organizations and associations, and identify your most likely consumers.

Set up a sales management manual which records your list of sales calls. In addition to usual business recordings (name of contact person, address, job title, phone number, sales calls, dates and responses), it is necessary to pre-plan each sales call, record the sales call and set a follow-up date.

Sales Promotion

Brochure, Video, Trade Show, Posters

Visual materials reinforce a sales message and support advertising and personal selling activities. As well as the distribution methods of this material through exhibits, displays, special events, consumer and trade shows, you need to mix in contests, special offers, signs and even information booths at attractions or in hotels.

You may wish to consider offering "free" trial coupons on a mini-fishing day/excursion to a radio station to use as a promotional item give-away in exchange for a "free" air mention of your facility. Telephone any radio station promotions department for details and assistance. It can be as inexpensive as donating t-shirts, baseball or fishing hats with your logo and name on them to radio stations for give-away(s).

Publicity

The hardest step in generating feature news coverage for your service or product is coming up with genuinely good ideas. Try holding a brainstorming session with your employees. This is an excellent way of generating some very good ideas, not to mention the contribution it can make to staff morale.

Feature news is not hard news; you don't have to have an earth shattering event to announce but you do have to have an imagination. News people are almost always receptive to an off-beat, colourful, humourous or unusual story with a human interest angle.

Ensure that your story does not sound like a commercial. If your company has recently conducted market research that produced interesting results, or if you have detected any interesting trends in buying patterns of your customers, your local or regional radio, T.V. or newspaper assignment editor may very will be interested in interviewing you. A little imagination can often compensate for a shortage of documentation, provided you make it clear that your observations are not undisputable facts.

If you are writing a human interest story in letter form to a newspaper, it is best to include a clear black and white photograph along to add further interest.

Starting your own file of black and white photos is necessary to take advantage of these opportunities.

If you are unsure if your "news item" is a good idea ask yourself if the idea is something that would appeal to a wide range of listeners or readers. Would you be interested if your were in a different business?

Public Relations

Public relations has a positive influence on public opinion towards your product. To favourably influence the public in your region you may consider sponsoring a local children's baseball team, offer a local grade school class a free hour fishing lesson, or provide some of your smoked or canned fish to a local charity to auction.

Direct Mail

(source: *Canada Post*, Nov. 1987)

The five infallible rules behind every successful direct mail campaign are:

1 Find your audience;
2 The offer;
3 The copy;
4 Graphics; and
5 Timing.

1 Find Your Audience

91% of retail customers in North America are repeat customers and direct mail can target your repeats. The best advertising medium you have is your existing clients. In addition to stroking your customer through attention, you can expand your customer base with direct mail.

Through *Dominion Directories* in Vancouver, you can buy your audience list by postal codes (minimum 15,000 names) and they will apply names to those households. Alternatively, you will find *Yellow Pages* list a number of "mailing list" services. Lists can be cost shared with other non-competitive businesses in your region. Lists can be purchased by:

- income level;
- special interest groupings; and
- occupation.

2 The Offer ... How the Product is Packaged

A tight time frame is important. This builds in urgency. Offer valid for 3 – 4 weeks is optimum. A follow-up mailer will pull an additional 50% of the original % of response.

3 The Copy

The copy creates word pictures. Keep it fun to read, people cannot be bored into buying.

a) The Outer Envelope

Executives do not like having mail that looks personal and when opened contains a mass mailer. If you have the name of an executive you must ensure this goes on the letter inside. (A window envelope).

b) Inside

- Sounds friendly. Never formal and cold, even business.
- Make the reader "in" the letter. "You need" "You want".
- Indent left hand side, maximum six inch wide copy and never justify borders. (It looks neater but is harder to read).
- Keep first paragraph short.
- Use widows (one word sentences).
- Use command copy (human nature is to do what we are told).

c) Reply Card

Easy in. Easy out. Make it easy for them to respond to you.

d) Lift Letter

Lifts response. Smaller than regular letter enclosed. It can contain testimonials and a punchy statement and is personally signed by the most senior boss/owner.

4 Graphics

They enhance the copy. Use boxes, highlight, underline, use captions on command copy. Photographs make things believable.

5 Timing

Peaks and valleys. Mail at the peak of spending. Low awareness advertising during valleys. "Shoot when the ducks are flying"!

Packaging and Programming

PROGRAMMING

Programming gives appeal to an otherwise standard product.

Use your completed *product analysis worksheet* (Exhibit K) in *Product Development Manual* as a source of inventory of components for your programming and, most importantly, use your imagination. Then pre-test your concepts in the market places. Three potential package ideas to stimulate your imagination are presented below:

A Grand Adventure for Grandparents and Grandchildren
A mid-week, 4 night/5 day package involving cabin, boat rental, pancake breakfast by lake, packed lunches, cook-outs, sing-a-longs by campfire, rowboat competitions, fly-tying demonstrations and nature walks with local naturalists.

A Culinary Adventure for Gourmets
A mid-week package, 3 nights/4 days, for fish-loving gourmets. Learn to catch, cook, smoke and can trout, and prepare along with nature's wild salads, herbs and berries.

Wilderness Explorer Package for Photographers
A 3 night/4 day package with world-renowned professional photographer. Learn to create award winning photos of grand scenery, fish underwater, time-lapse pictures of mountain flowers. Set up, hide and view the the intimate life of osprey, loon or badgers!

In addition, you need to create a special event/theme calendar for the year. This should include:

- all Canadian holidays;
- all U.S. holidays;
- all local events (derbies, rodeos, fairs, etc.);
- all special theme days (Father's Day, Mother's Day, and the increasingly popular grandparents' day in September, first day of spring, etc.);

- regional influences (spring break-up, hunting seasons, etc.); and
- your own special on-site activities.

PACKAGING

Using the program information you will be able to create and present your product in an imaginative way. This information can also be used to ensure your timing on advertising is geared either towards or away from specific dates.

Packaging sets you apart from your competition and gives the customer reasons to buy your product.

The pricing of your package is a total of:

Total variable costs per person

+

Total fixed costs per person

+

Share of marketing and overhead costs per person

+

Commissions and your desired profit

When you decide which items will be included in your standard daily package you can insert this in your brochure on a rate sheet.

In addition to your standard package, you can package "specials" for advertising and mailers. Your "specials" do not necessarily vary in price from your standard package, but can include "special activities" or themes.

Evaluating Your Results

In order to improve your product, and the resulting sales volumes, you need to constantly adjust your product to meet the changing needs and wants of your customers.

Ideally, you should see an increase in sales if you are using a well balanced mix of marketing means to reach your specific targets.

In the final analysis, every company uses slightly different marketing strategies and it is up to the customer to decide how effectively individual firms satisfy his or her needs.

Profits are not the only goal of some businesses, but provided that you are not seeking short-run profits at the risk of loss of customer goodwill, profits can be used as a rough measure of your efficiency in both product and the marketing of that product.

Appendix A

Research Results:

British Columbia, Albertan and Washington Licence Holders

APPENDIX A: Research Results on the Market

The size and nature of the market for British Columbia's Freshwater Fishing Lodges has been determined from a number of sources:

Freshwater Sport Fishing in British Columbia, 1985, a survey of licence holders conducted by the Ministry of Environment and Parks;

Fishing Lodges and Resorts in British Columbia, Marketing and Development Initiatives, prepared for the Ministry of Tourism by DPA Group Inc and MacLaren Plansearch, 1988;

Telephone Surveys of a random sample of 85 license holders resident in the Lower Mainland region of British Columbia conducted specifically for the marketing plan;

Telephone surveys of a random sample of 100 British Columbia freshwater fishing licence holders resident in the Province of Alberat;

Telephone surveys of a random sample of 60 British Columbia freshwater fishing licence holders resident in the State of Washington.

Sports Participation in 1986, Series 1 and Series 2, National Sporting Goods Association

Market Size

In the 1987/88 fishing season, just over 390,000 freshwater fishing licences were sold in British Columbia, an increase of 8% since 1985/86. Of this total, 78% were purchased by residents of British Columbia and 22% were purchased by visitors. According to the Ministry of Environment's survey, the vast majority of non-resident licence holders in 1985 originated from Alberta (32,000 licence holders came from this Province). In addition, the Pacific Census Region of the United States also accounted for 9% of total licence sales. Thus the overwhelming majority of visiting anglers come from British Columbia's "close in" markets. The resource currently attracts a very small number of long-haul visitors.

Market Penetration

Not all licence holders stay at fishing resorts. Some take day trips only; others prefer to camp, stay with friends and relatives or own their own cabins. Of the licence holders resident in British Columbia, approximately 30% indicated that they had stayed at a fishing resort at least once. The propensity of non-resident licence holders to stay at a resort appears to vary significantly with origin. While 58% of the Washington sample had visited a resort or lodge, only 16% of the licence holders from Alberta had done so. Most Albertans preferred to stay with friends or relatives or go camping.

Current and Potential Markets: Resident

The survey of British Columbian licence holders revealed several differences between those licence holders who had stayed at a resort in B.C. and those who had not and these findings suggest areas of future market potential. The two groups will be referred to as "users" and non-users" respectively.

Survey of Residents

What Factors Are Important in Chosing A Resort?

Exhibit 3 shows that users of a B.C. lodge/resort appear to rank selection factors quite differently to those licence holders who have not yet stayed. While both groups consider 'natural scenic beauty' to be the most important factor, past users rate 'ease of travel time' and 'alternative recreational facilities' as more important than do non-users. By contrast, non-users rate service, amenities and the number, size and species of fish caught as significantly more important than existing resort users. The availability of alternative recreational facilities is less important to this group.

These findings may imply that there is a domestic market of relatively enthusiastic fishermen (ie. licence holders) who could be attracted into a resort provided they were assured of quality service and an excellent fishing experience.

The results also suggest that B.C.'s fishing resorts and lodges are **currently** attracting a clientele for whom the fishing is secondary to the total resort experience, who value convenience and the chance to participate in other recreational activities.

Lodging Preferences

Generally speaking, non-resort users (55%) were more inclined to indicate a preference for quality or mid-range accommodation than past users (31%). Conversely users (69%) prefer either rustic accommodation or campgrounds;

only 45% of non-users stated a preference for these less expensive forms of lodging. While the majority of respondents spend less than $50 per person per night on accommodation, a larger share of the non-users (25%) indicated a willingness to spend more.

Users and non-users also differ in the way they prefer to pay for their experience. Over half of the non-users (55%) would prefer an all-inclusive package price while 65% of the users prefer a separate billing.

The results of this survey of licence holders suggest that in order to convert licensed non-users of resorts into users, we will have to convince them that they can obtain a package of quality fishing, amenities and service in British Columbia. They appear willing to spend more on this experience than the existing market providing they are assured that the B.C. product can deliver.

Product Knowledge

Fortunately, one of the reasons for non-use is a lack of information about the product as perceived by the consumer; 65% of the non-users felt they lacked sufficient information with which to make a decision and 68% of the non-users rated their knowledge of British Columbia's

Exhibit 3

Relative Importance of Selection Factors to British Columbians In Choosing A Resort

	Recent Users	Non-Users
Ease of Travel Time	57%	59%
Remoteness	65%	59%
Price	70%	76%
Service	57%	90%
Guides	22%	38%
Amenities	39%	52%
Alternative Recreational Options	61%	34%
Natural Scenic Beauty	87%	79%
Number of Fish Caught	39%	62%
Size of Fish Caught	22%	59%
Species	30%	64%

Source: telephone survey of licence purchasers resident in the Lower Mainland, Tourism Research Group, DPA Group Inc., 1989

existing resort product as poor; 25% rated it as fair and only 4% rated it as good or excellent.

Preferred Media

The majority of survey respondents (42%) considered that a provincial map showing all fishing areas and distinguishing between species would be the most effective. Next in importance would be a directory of all fishing lodges/resorts. Third in importance were advertisements or articles in local community newspapers (19%), and TV or radio advertising (19%). Articles in Outdoor Magazines (16%) were considered to be more effective than articles in Travel Magazines (9%) and only 2% of the respondents indicated that an information hot-line would be effective.

Evaluation of the Fishing Experience In British Columbia

Despite their lack of knowledge regarding resorts, the non-users rate the freshwater fishing experience very highly: (44% said "excellent" and 33% said "good"). In fact, they rate it more highly than licence holders who have stayed at a resort. 39% of the users ranked the freshwater fishing as fair, and only 26% gave it an excellent rating.)

What Potential Does This market of Anglers Have?

According to the survey, approximately 20-25% of the B.C. licence holders have not stayed at a resort but would consider doing so in the future.

The Challenge

As far as the domestic market is concerned, the research suggests that we should concentrate on the following:

1. Getting the existing market of users to increase their frequency and expenditures ;

2. Capture new markets (ie people who have not been regular licence holders) and whose profile is similar to existing resort users; and

3. Persuade British Columbia's anglers to stay at a resort; in other words to convert non-users to users. Given that these non-users consider the fishing experience to be important and given that they perceive the opportunities for that experience to be excellent in British Columbia, the resorts must deliver sufficient consumer information on the quality of service, amenities and fishing to convert this target market into resort users. At the same time, the resort industry must take steps to ensure that there is, in fact, sufficient product of the quality necessary to meet this more demanding market segment

Current and Potential Markets: Non-Resident

Of the 390,000 freshwater fishing licences sold in British Columbia in 1988, 9% were purchased by Albertan residents and another 9% were purchased by residents of the Western Region of the United States (California, Washington and Oregon).

Survey of Non-Residents

A telephone survey of 60 Washington residents and 100 Albertan residents who had purchased a B.C. fishing licence in 1987 was undertaken to determine their travel behaviour and perceptions of the B.C. freshwater fishing product. The survey showed that compared to Albertan and British Columbian licence holders, Washington visitors are already highly predisposed to staying at a resort or lodge: 58% had done so previously. Of these former users, the majority (77%) "like to stay at a lodge where they can concentrate on fishing" and 20% prefer a lodge which offers other activities besides fishing. Albertans, on the other hand, are least likely to have stayed at a resort or lodge -- only 16% of the sample had used commercial roofed accommmodation. Most of the Albertan non-users preferred to stay with friends or go camping and a higher proportion (38%) preferred lodges which offered a range of alternative recreational activities. Only half of the Albertan sample like to stay at a lodge where they can concentrate on fishing.

What Factors Are Important in Choosing A Resort?

The factors considered important in selecting a lodge or resort varied according to origin and also between users and non-users. While natural scenic beauty rates highly for all groups, Washington resort users place far more importance on service and the quality of fishing than do their Albertan and British Columbian counterparts. Only 14% of past Washington resort users rated the availability of alternative recreational facilities as important. While Albertans seem to be most price sensitive (73% rated this factor as important) and least concerned about service, the non-users do rate the number and size of fish caught as important. They seem less concerned however, about the species of fish.

Lodging Preferences

In general, non-residents indicated a stronger preference for camping and less of a preference for quality accommodation than did residents. There seems to be a concern for price, especially among Washington visitors who prefer rustic or camping accommodation (53%) and generally pay less than $50.00 per person per night (76%). This price concern is also reflected in "Factors Important in Selection of Resort" (see Exhibit 4), where 81% of Albertans and 75% of Washingtonians showed a sensitivity to price.

It is interesting to note that in the Washington sample, the type of lodging preferred differed substantially from users to non-users -- 32% more users than non-users preferred quality or mid-range accommodation, while non-users were more camping oriented. Despite this trend, only 24% of Washington visitors actually pay over $50.00 per person per night. This could suggest that either there is an inadequate supply of quality accommodation or that what Washingtonians prefer and what they can actually afford are two different things.

As was the case with the resident market, all-inclusive package prices are popular with the non-resident market. 44% of non-residents would prefer to pay for their experience in an all-inclusive package price. These results suggest that there will have to be plenty of all-inclusive packages to offset separate billing in order to appeal to non-resident licence holders. These packages will need to offer quality fishing and service and show a sensitivity to price.

Product Knowledge

As was the case with BC residents, one of the reasons for non-use is lack of information. 84% of Albertans surveyed did not stay at a lodge or resort while fishing in BC, and over 65% of those non users indicated that they did not have enough product information with which to make a decision. Similarily, 45% of Washington visitors indicated that they did not have enough product information with which to choose a new lodge or resort.

86% of Albertans and 70% of Washingtonians also indicated that they had fair or poor knowledge of the variety of lodges and resorts in the province.

Preferred Media

22% of Albertans and 24% of Washington non-resident license holders indicated that a provincial map showing all fishing areas and distinguishing between species would be the most effective form of media. 22% of both Albertan and Washington visitors ranked a directory of all fishing lodges and

resorts as next in importance. Articles in Outdoor magazines were ranked as third (Alberta 13%, Washington 12%) and newspaper advertising (Alberta 14%, Washington 12%) and TV and radio advertising (Alberta 12%, Washington 10%) as next most effective. Albertans and Washingtonians disagreed over the importance of the Hotline vs. advertisements in travel magazines. Alberta ranked the hotline as 6th (10%) and travel magazines as 7th (8%), while Washington visitors ranked travel magazines as 6th (10%) and the hotline as 7th (8%).

Exhibit 4

Relative Importance of Selection Factors to Alberta and Washington Residents In Choosing A Resort

	Alberta	Washington
Ease of Travel Time	58%	55%
Remoteness	62%	67%
Price	81%	75%
Service	59%	78%
Guides	30%	20%
Amenities	46%	42%
Alternative Recreational Options	41%	20%
Natural Scenic Beauty	86%	88%
Number of Fish Caught	65%	61%
Size of Fish Caught	65%	63%
Species	51%	61%

Source: telephone survey of licence purchasers resident in Alberta and Washington, Tourism Research Group, 1989

Appendix B

List of Trade Shows

Event	**Anaheim Sports Vac & RV Show**
Location	**Anaheim**
Province	**CA**
Date	89/01/07 - 89/01/15
Contact	Ms. Marilyn Howard, Sales Director
Company	H. Werner Buck Enterprises
Street	3031 West Burbank Blvd.
City	Burbank
Prov.	CA
Postal	91505
Phone	818 841 9850
Toll free	
Fax	
Booth Cost	.00

Event	**Calgary Sportsmen's Show**
Location	**Calgary**
Province	**AB**
Date	89/03/30 - 89/04/02
Contact	Mr. Blaine Woit
Company	Canadian National Sportsmens Show
Street	Suite 201, 4547 East Hastings
City	Burnaby
Prov.	BC
Postal	V5C 2K3
Phone	604 291 6651
Toll free	800 663 8815
Fax	604 291 0412
Booth Cost	450.00

Event	**Edmonton Hunting & Fishing**
Location	**Edmonton**
Province	**AB**
Date	88/08/25 - 88/08/28
Contact	Mr. Rex Armstead
Company	Major Event Management Ltd.
Street	600 - 1130 West Pender
City	Vancouver
Prov.	BC
Postal	V6E 2R6
Phone	604 681 8126
Toll free	
Fax	
Booth Cost	.00

Event	**Edmonton Sportsmens's Show**
Location	**Edmonton**
Province	**AB**
Date	89/03/08 - 89/03/12
Contact	Mr. Peter Kirk
Company	Canadian National Sportsmen's Show
Street	Suite 201, 4547 East Hastings Street
City	Vancouver
Prov.	BC
Postal	V5C 2K3
Phone	604 291 6651
Toll free	800 663 8815
Fax	604 291 0412
Booth Cost	550.00

Event	**Fall Fishing/Winter Sports Show**
Location	**Tacoma**
Province	**WA**
Date	89/01/25 - 89/01/29
Contact	Mr. Michael O'Loughlin, Show Producer
Company	To-Ro Trade Shows Inc.
Street	P.O. Box 110849
City	Tacoma
Prov.	WA
Postal	98411-0849
Phone	206 756 2121
Toll free	
Fax	
Booth Cost	450.00

Event	**Fall RV Sports & Vacation Show**
Location	**San Diego**
Province	**CA**
Date	88/10/06 - 88/10/09
Contact	Ms. Arlene Gittleman
Company	Southwest Exhibitors Inc.
Street	P.O. Box 2747
City	La Jolla
Prov.	CA
Postal	92038
Phone	619 457 1559
Toll free	
Fax	
Booth Cost	.00

Event	**Fall Sportsmen's Show**
Location	**Portland**
Province	**OR**
Date	88/09/08 - 88/09/11
Contact	Mr. Michael O'Loughlin
Company	To-Ro Trade Shows Inc.
Street	P.O. Box 25348
City	Portland
Prov.	OR
Postal	97225-0348
Phone	503 246 8291
Toll free	
Fax	
Booth Cost	350.00

Event	**International Sportsmen's Exposition**
Location	**Sacramento**
Province	**CA**
Date	89/01/04 - 89/01/08
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Expositions
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	550.00

Event	**International Sportsmen's Exposition**
Location	**San Mateo**
Province	**CA**
Date	89/03/15 - 89/02/19
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Expositions
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	550.00

Event	**International Sportsmen's Exposition**
Location	**Denver**
Province	**CO**
Date	89/02/22 - 89/02/26
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Exposition
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	550.00

Event	**International Sportsmen's Exposition**
Location	**Eugene**
Province	**OR**
Date	89/02/02- 89/02/05
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Expositions
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	350.00

Event	**International Sportsmen's Exposition**
Location	**Portland**
Province	**OR**
Date	88/11/09 - 88/11/13
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Expositions
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	500.00

Event	**International Sportsmen's Exposition**
Location	**Seattle**
Province	**WA**
Date	89/02/15 - 89/02/19
Contact	Mr. Ed Rice, President
Company	International Sportsmen's Expositions
Street	P.O. Box 2569
City	Vancouver
Prov.	WA
Postal	98668-2569
Phone	206 693 3700
Toll free	
Fax	
Booth Cost	550.00

Event	**Pacific N.W. Sportsmen's Shows**
Location	**Portland**
Province	**OR**
Date	89/02/08 - 89/02/12
Contact	Mr. Michael O'Loughlin
Company	To-Ro Trade Shows
Street	P.O. Box 25348
City	Portland
Prov.	OR
Postal	97225-0348
Phone	503 246 8292
Toll free	
Fax	
Booth Cost	450.00

Event	**Regina Sportsmen's Show**
Location	**Regina**
Province	**SK**
Date	89/03/02 - 89/03/05
Contact	Mr. Blaine Woit, Show Manager
Company	Canadian National Sportsmen's Show
Street	Suite 201, 4547 East Hastings
City	Vancouver
Prov.	BC
Postal	V5C 2K3
Phone	604 291 6651
Toll free	800 663 8815
Fax	604 291 0412
Booth Cost	425.00

Event	**Seattle Sportsmen's Show**
Location	**Seattle**
Province	**WA**
Date	89/01/25 - 89/01/29
Contact	Mr. Michael O'Loughlin
Company	To-Ro Trade Shows Inc.
Street	P.O. Box 110849
City	Tacoma
Prov.	WA
Postal	98411-0849
Phone	206 756 2121
Toll free	
Fax	
Booth Cost	450.00

Event	**Sport and Boat Show**
Location	**Sacramento**
Province	**CA**
Date	89/02/16 - 89/02/20
Contact	
Company	Sacramento Sport Show
Street	P.O. Box 19333
City	Sacramento
Prov.	CA
Postal	
Phone	916 482 8190
Toll free	
Fax	
Booth Cost	.00

Event	**Sport Fishing RV & Golf Show**
Location	**Palm Springs**
Province	**CA**
Date	89/02/01 - 89/02/05
Contact	
Company	Fred J. Hall & Associates
Street	15236 Greenleaf Street
City	Sherman Oaks
Prov.	CA
Postal	91403
Phone	818 784 3036
Toll free	
Fax	
Booth Cost	.00

Event	**Sport Fishing TRavel and OUtdoor**
Location	**Chicago**
Province	IL
Date	89/01/27 - 89/02/05
Contact	Ms. Ellen D. Farley, Asst. Vice President
Company	Professional Expo Management
Street	2400 E. Devon Ave., Suite 205
City	Des Plaines
Prov.	IL
Postal	60018
Phone	312 299 3131
Toll free	800 323 5155
Fax	
Booth Cost	350.00

Event	**The Toronto Sportsmen's Show**
Location	**Toronto**
Province	**ON**
Date	89/03/10 - 89/03/19
Contact	Mr. Derek Olsen
Company	Canadian National Sportsmen's Show
Street	595 Bay Street, Box 45
City	Toronto
Prov.	ON
Postal	M5G 2C2
Phone	416 593 7333
Toll free	
Fax	
Booth Cost	.00

Event	**Vancouver Hunting and Fishing Show**
Location	**Vancouver**
Province	**BC**
Date	88/09/22 - 88/09/25
Contact	Mr. Rex Armstead
Company	Major Events Management
Street	600 - 1130 West Pender
City	Vancouver
Prov.	BC
Postal	V6E 2R6
Phone	604 681 6126
Toll free	
Fax	
Booth Cost	.00

Event	**Vancouver Sportsmen's Show**
Location	**Vancouver**
Province	**BC**
Date	89/04/06 - 89/04/09
Contact	Mr. Peter Kirk
Company	Canadian National Sportsmen's Show
Street	Suite 201, 4547 East Hastings
City	Vancouver
Prov.	BC
Postal	V5C 2K3
Phone	604 291 6651
Toll free	800 663 8815
Fax	604 291 0412
Booth Cost	500.00

Event	**Western Fishing and Tackle Show**
Location	**Long Beach**
Province	**CA**
Date	89/03/01 - 89/03/05
Contact	
Company	Fred J. Hall & Associates
Street	15236 Greenleaf Street
City	Sherman Oaks
Prov.	CA
Postal	91403
Phone	818 784 3036
Toll free	
Fax	
Booth Cost	.00

Event	**Western Fishing and Tackle Show**
Location	**San Diego**
Province	**CA**
Date	89/03/15 - 89/03/19
Contact	
Company	Fred J. Hall & Associates
Street	15236 Greenleaf Street
City	Sherman Oaks
Prov.	CA
Postal	91403
Phone	818 784 3036
Toll free	
Fax	
Booth Cost	.00

Event	**Western Fishing Tackle & Boat**
Location	**Phoenix**
Province	**AZ**
Date	89/04/05 - 89/04/09
Contact	
Company	Fred J. Hall and Associates
Street	15236 Greenleaf Street
City	Sherman Oaks
Prov.	CA
Postal	91403
Phone	818 784 3036
Toll free	
Fax	
Booth Cost	.00

Appendix C

Trade Show Costing Form

Trade Show Costing Form

Name of Event _____

Location _____
Contact _____Telephone( )_____

Totals

Booth Cost $_____ _____

Booth Furnishings: Table Top_____Chairs_____
Signage _____Flowers_____
Other_____ _____

Air Transportation_____ _____
Ground Transportation: Airport Transfers _____
Car Rental _____ _____

Hotel _____
Rate_____X_____Nights _____

Gratuities: Porters _____Bellmen_____Exhibit Hall____ _____

Meals: Day 1 _____ Day 2 _____Day 3_____Day 4 ____ _____

Shipping Costs _____ _____

Materials Cost: (Brochures,flyers, etc.)_____ _____

Equipment Cost: (Typewriters, TV,Audio Visual)_____ _____

Carpeting _____ _____

Hospitality Suite: Rental_____Refreshments _____ _____

Prize(s) _____ _____

Entertainment Costs _____ _____

Mailing Costs (Pre and post event mailings, etc.)_____ _____

Other Costs:

Item	Costs
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL $_____

Appendix D

Helpful Hints for Getting the Most Out of a Trade Show

20 Helpful Hints to Trade Show Sales

1. Know your product and service.
2. Find out what your prospect does and needs.
3. Be dressed and groomed to fit your products.
4. Be aware of your competitor's product.
5. Be honest with your sales pitch.
6. Dress up your booth. Keep it neat and clean.
7. Pay attention to "lookers". They may become buyers.
8. Know your costs and selling prices.
9. Stay in your booth. Buyers will not wait for you to wander back.
10. Greet visitors pleasantly. Make them feel comfortable. Don't be overly aggressive.
11. Sit - but only with a prospect!
12. Don't read a newspaper or play games during show hours. A polite buyer will hate to interrupt your pleasure for a small thing like giving you an order.
13. Be helpful, but don't chase them away by too much attention.
14. Have someone help you in your booth to keep a second buyer busy until you are free to take care of them.
15. Remember your booth and your people working in the booth are the only way a buyer can tell what your place of business looks like and the kind of products and service they can expect to receive if they do do business with you.
16. Be sure the prospect gets a piece of your literature with your name and address on it whether they buy it or not. They may change their mind later and order by mail.

17. Get their business card for follow-up.

18. Stay in your booth until the show closes each day. Last minute buyers can make your day and your show profitable.

19. Do not eat or drink in your booth.

20. Remember, the customer is always right.

The above was printed with the permission of its author, David Gilmartin, President of J & D Productions, producers of "The Travel Marketplace" and the "American Experience" trade shows.

Appendix E

Specialty Fishing Magazines

SPECIALTY PUBLICATIONS

The advertising rates are quoted from the most recent rate cards published. Rates quoted are price per insertion. In most cases, discounts are given for cash payment.

BC Outdoors

BC Outdoor is published 7 times a year by MacLean Hunter Publications at 202-1132 Hamilton Street, Vancouver, BC, V6B 2S2. (604) 687-1581.

BC Outdoors has a total paid circulation of 33,425 of which 82% are British Columbian. A 1 page advertisement which appears 3 times, will cost $1,599.00 plus $525.00 for colour per insertion.

Other rates: An advertisemnt appearing 3 times in the Directory section of the magazine will cost $71.00 per insertion. Classified ads cost $5.00 per line (approximately 6 words per line). Minmum 4 lines - $20.00.

Readership Profile

- 20.2% are between 25 and 34 years
- 32.2% are between 35 and 49 years
- 26.6% are between 50 and 64 years
- 22.5% earn $35,000-49,999
- 21.7% earn $50,000-74,000
- 39.6% of households consist of two people
- 15.5% of households consist of three people
- 20.7% of households consist of four people
- 19% have been fishing for over 50 years
- 25.9% spent 30-59 days fishing in the last 12 months

British Columbia Sport Fishing Magazine

British Columbia Sport Fishing Magazine is published six times a year by B.C. Sport Fishing Inc., division of P.M. Marketing Ltd.909 Jackson Crescent, New Westminster, BC, V3L 4S1. (604) 521-4901 or (604) 683-4871.

British Columbia Sport Fishing Magazine is written for sportsmen seeking freshwater and saltwater adventures. Every issue of B.C. Sport Fishing contains adventure fishing features and destination reports, "What's New" pages, special lake and river features, product profiles, fishing industry personality profiles, and lodge profiles.

A full page , full colour advertisement which appears in three issues will cost $1,200.00 per insertion. B.C. Sport Fishing Magazine's circulation consists of 15,635 paid copies as well as 10,000 copies for distribution at trade shows. 64% of readers are from British Columbia, 13% are from Alberta, 3% are from other Canadian provinces and territories and 20% of readers are from the United States.

Other Rates: "Outdoor Marketplace" 1 col. x 1 1/2" (Paid in Advance) appearing 2 times is $60.00 per insertion.

Readership Profile

- 59% of readers are 21-40 years of age
- 36% of readers are 41-60 years of age
- 32% spend $500-1,000 annually on fishing trips
- 29% spend $1,000-2,000 annually on fishing trips
- 33% spend over $2,000 annually on fishing trips
- 59% of readers fish for steelhead
- 16% belong to fishing clubs

California Angler

California Angler is published 12 times a year by Outdoor Ventures Limited. 1921 E. Carnegie Avenue, Suite N, Santa Ana, CA. 92705. (714) 261-9779.

California Angler is a monthly regional magazine published by and for Californian fishermen. It covers both fresh and saltwater fishing for the state of California as well as other areas where angling opportunities are offered to the travelling Californian.

A 1/3 page, 4 colour advertisement, appearing 3 times will cost $1,350.00 per insertion.

Fishing & Hunting News

Published weekly by The Fishing and Hunting News, 511 Eastlake Ave., P.O. Box C-19000, Seattle, WA. 98109. (206) 624-3845.

Feature Schedule. Each week there is a different feature. Last April 20th, the feature schedule was Big Game and Trophy Fish, Canada and Alaska, as well as a special editorial on B.C.

Total paid circulation is 145,855. Non-paid circulation is 16,000. 64% of readers are from British Columbia, 13% are from Alberta, 3% are from other Canadian provinces and territories, and 20% of readers are from the United States.

A 1 page colour advertisement appearing 6 times will cost $4,054, 1 1/2 page advertisement appearing 6 times will cost $2,467.

Other Rates: A 1/4 page, black & white advertisement appearing 6 times, will cost $935.00. (per insertion rates).

There are 10 Regional Editions covering the United States.

Readership Profile

- 98% of readers are male
- The median age is 36.9 years
- 95% of readers fish
- 88% hunt
- 74% do both
- 91% camp
- Average family income is $38,500 US
- In 1988, 47% spent over $400.00 on fishing and hunting gear.

Fishing World

Fishing World is published bi-monthly by Allsport Publishing Corp., 51 Atlantic Avenue, Floral Park, New York. 11001. (516) 352-9700.

Fishing World Magazine is directed to the sport of fishing with emphasis on how and where to fish and written for the dedicated angler. With an average paid circulation of 331,818 and an average of 2.7 readers per copy, Fishing World offers a total readership of 810,000.

Advertisers have the choice of placing ads in one, two or three regions, or nationally. A 1 page, 4 colour advertisement, placed 3 times and appearing in two regions will cost $4,115.00 per insertion.

Other Rates: A 1/8 page, black & white advertisement, appearing 3 times will cost $435.00 per insertion.

Readership Profile

- 85.2% of readers are male
- The median age is 46.4 years
- 45.1% attended college or better
- 75.2% are married
- The average household income is $40,600
- 77.2% are regular readers of Fishing World (read 3 out of 4 issues)
- There is an average of 2.6 fishermen per household
- 43.8% travel out of state to fish

Flyfishing

Flyfishing is published 5 times a year by Frank Amato Publications, P.O. Box 82112, Portland, OR. 97282. (503) 653-8108.

Flyfishing offers a prime source of information for both fresh and saltwater fly fishermen. Editorial sections highlight fly tying techniques, "Dream Water" fly fishing locations around the world, updates and product tests on the latest in fly fishing equipment, the best choices for fly fishing wear and a special "Catch and Release Gallery". The annual Canada feature issue is scheduled for March-April 1990.

Total paid circualtion is 42,615, of which 56% are from the West Coast, 21% are from the Upper East Coast, 10% are from the Great Lakes Region, 8% are from other states and 5% are from Canada or other countries. A 1 page, 4 colour advertisement, appearing in 3 issues will cost $1,825.00 per insertion.

Other Rates: a 1/12th of a page, black & white advertisement, appearing in 3 issues will cost $195.00 per insertion.

Readership Profile

- 57% of readers are aged 36-45 years
- 55% are employed professionally/technically
- 24% are employed in management
- 46% have a college education
- 33% have completed graduate work
- 36% earn over $50,000 per year
- 34% spend 26-50 days per year fishing
- 34% spend 11-25 days per year fishing

Fly Fisherman

Fly Fisherman is published 6 times a year by Cowles Magazines, Inc. 2245 Kohn Road, P.O. Box 8200, Harrisburg, PA, 17105-8200. (717) 657-9555.

Fly Fisherman is written for the fishing enthusiast. It has an average paid circulation of 144,475 with a geographic concentration in the west. With 2.25 readers per copy, Fly Fisherman has a total readership of 324,284. A full page, 4 colour advertisement appearing 3 times will cost $6005.00 per insertion.

Other Rates: A 1/12th of a page, black & white advertisement, appearing 3 times in the special "Marketplace" section will cost $455.00 per insertion.

Readership Profile

- 96% of readers are male
- 76.6% are married
- The median age is 44.55 years
- 76.4% attended/graduated college
- 14.6% conducted post graduate work
- 19.5% have post graduate degrees
- The median individual employment income is $35,280
- 53.5% are employed in professional, managerial or administrative capacities
- The total number of people in the household is 2.67
- The median total household income is $42,800
- 78.4% own their own residence
- The median value of the residence is $108,500
- 27.1% live in the Northeast
- 13.8% live in the Midwest
- 14.2% live in the South
- 44.9% live in the West
- Approximate number of years respondent has been involved with fly fishing = 19.44 years

Salmon Trout Steelheader

Salmon Trout Steelheader is published 6 times a year by Frank Amato Publications, P.O. Box 82112, Portland, OR. 97282. (503) 653-8108.

Salmon Trout Steelheader is edited for spin, bait and fly fishermen. In-depth articles stress fishing techniques, good fishing locations and conservation, along with book reviews, fly tying and fishing instructions.

Salmon Trout Steelheader has a total paid circulation of 25,000 of which 76% are from the West Coast, 10% are from the Great Lakes Region, 9% are from the Upper East Coast, 1% are from other states, and 4% are from Canada or other countries. A 1 page, 4 colour advertisement, appearing 3 times will cost $970.00 per insertion.

Other Rates: A 1 column inch advertisement appearing in 3 issues, will cost $41.00 per insertion. A 1/12th of a page advertiement, appearing in 3 issues will cost $95.00 per insertion.

Readership Profile

- 30% of readers are between the ages of 30 and 39
- 23% are between the ages of 40 and 49
- 22% are 60 years and older
- 42% have a college education
- 30% earn $30,000-39,999 per year
- 26% earn $20,000-29,999 per year
- 16% earn $50,000 per year or more
- 45% fish 21-50 days per year
- 99% prefer to fish in rivers and streams
- 60% would like to fish in British Columbia

Product Development Manual

Introduction

This product development manual has been prepared to assist freshwater fishing lodges/resort operators in:

- upgrading or improving their product;
- changing their product orientation to meet the needs and expectations of existing or new markets; and
- developing new product "packages".

It also provides a useful summary approach for those who are considering the development of new fishing freshwater resorts.

The manual is written, as much as possible, to be a companion document to the marketing manual. It is designed, not as a stand-alone document, but as a starting point for those considering product development. Supplementary information on many topic areas summarized here can be found in the British Columbia Tourism Development Handbook, distributed by the Tourism Development Division of the Ministry of Regional Development. This handbook is more generic in nature and applicable to anyone considering a tourism business in the province. Reference to materials in the Tourism Development Handbook is made throughout this manual, and interested operators are encouraged to obtain a copy to supplement the information presented herein.

The product development manual is geared specifically to the freshwater fishing resort industry. Throughout the manual, references are made to the industry statistics compiled in a 1988 study by the Ministry of Tourism and Provincial Secretary (hereafter called the Phase I Study), Marketing and Development Initiatives for British Columbia Sport Fishing Lodges/Resorts. The study provides a useful compendium of statistics and analyses on this sector. Copies may be reviewed at the office of the British Columbia Fishing Resorts and Outfitters Association in Kamloops or the Ministry of Tourism and Provincial Secretary, Victoria, British Columbia.

Another excellent source of information is Tourism Canada's The Inn Business, published in 1976. Though dated in some respects, the presentation of methodology for analyzing the business of running a resort remains relevant today. Excerpts are used as supporting material in this manual.

The emphasis in this product development manual is on a step-by-step approach specific to industry needs for upgrading and improving the product. It is equally applicable to those considering new lodge/resort developments.

The reader should refer to the companion document to this manual — the Marketing Manual — for the freshwater fishing resort industry.

What Is Product Development?

THE FISHING RESORT PRODUCT

Many observers of the tourism industry speak of the product as a set of facilities (e.g., accommodation, food services, guide services, equipment rentals), and activities (e.g., fishing, hiking, cross-country skiing). This sort of thinking can be misleading. From the perspective of the customers, the product sold is the **"total experience"**. It may be a fishing experience for the dedicated enthusiast on remote international class waters, or it may be a family oriented fishing vacation in a scenic, yet accessible, setting. In each case the experience is being sold.

To be sure, facilities and activities are important factors in the "total experience". But look at what existing customers are saying. The factors which they cited in the 1988 Phase I Study (page 4-16) as **very important** when selecting a fishing resort are listed in order of importance below:

1. Natural/scenic beauty
2. Service
3. Remoteness
4. Rustic accommodation
5. Ease of travel time
6. Cost of lodge
7. Number of fish caught
8. Size of fish caught
9. First-class accommodation
10. Availability of non-fishing activities

These results suggest that a successful product for your existing users is one in which their expectations can be met for the natural setting, service, and remoteness in addition to accommodation, ease of travel and cost. In fact, the fishing experience factors (number and size of fish) are well down the list of very important factors.

Another important aspect of the product is how it is packaged. Existing users almost all want all-inclusive packages and yet only 51% of freshwater operations offer a packaged product. Standardization of packaging and pricing procedures is thus an important part of the product offered. It gives the user certainty in budgeting for the vacation and it clarifies expectations. It can help to secure new business.

In sum, the product is the **experience** offered. The factors which go into making up that experience include not only facilities, service, and fishing opportunities, but also such factors as natural or scenic beauty and the remoteness of the location.

MARKET-DRIVEN PRODUCT DEVELOPMENT

Product development is not just a process of upgrading facilities. It can involve more subtle (and usually less expensive) improvements in service levels, in packaging, and in activity development. The key point is that product development should proceed with a sound understanding of the needs and expectations of markets. Successful product development will effectively match the "total experience" offered to these needs and expectations. Not only does one have to understand the customer, one also has to understand that there are different **"segments"** of customers. For example, the roadside lodge on the scenic lake is not likely to attract the avid fishing enthusiast who is seeking a world-class experience. Each market segment has its own needs and expectations. Some are subtle, as in preferences for weekend retreats versus longer vacation stays at the same facility. Others are more obvious, as in the case of the Steelhead enthusiast versus the casual angler with his family.

Thus, a very important part of the product development process is how to "orient" the product. One must ask what markets are targeted, understand the expectations, and determine how to orient the product to meet the needs.

The Steps In Product Development

The process of identifying market opportunities and undertaking product development involves a number of explicit steps, summarized in Exhibit H. Although oriented to those operators who are considering upgrading their product, the principles also apply to individuals looking to develop a new fishing lodge/resort.

Exhibit H

THE PRODUCT DEVELOPMENT PROCESS

Where and I now? ***(What are my opportunities?)***	**Current Performance** ❑ Understanding the present business ❑ occupancies/seasonality ❑ revenues/costs ❑ goals/objectives
	Market Analysis ❑ Understanding customer needs/expectations ❑ Defining market opportunities ❑ Selecting target markets
	Product Analysis ❑ Match product to markets ❑ Assess strengths/weaknesses ❑ Assess competition
Where would I like to be?	**Product Development Concept** ❑ Selecting market niche and target markets ❑ Defining the concept and elements
How do I get there? ***(Putting the plan together)***	**Preparing the Product Development Plan** ❑ Site planning, facilities, activities ❑ Costing/capital budget
Is the plan feasible?	**Evaluating the Plan** ❑ Market ❑ Financial
How do I finance it?	**Preparing the Business Plan** ❑ Writing the plan ❑ Financing approach
How do I implement it?	**The Approval Process** ❑ Final design ❑ Development approval

Where Am I Now?

This question starts with a thorough look at the existing business, its performance, the markets it serves, the possible opportunities to pursue, and an assessment of the product against these opportunities.

CURRENT PERFORMANCE

The first step should be to ensure that the present business is fully understood. Most of us can describe it intuitively but a checklist of questions helps to focus thoughts and provide quantitative information to support estimates.

The types of questions that should be asked are listed below.

- What is the capacity of the facility (number of rooms and/or sites times number of nights of operation per year)?
- What are the "unit" rates (e.g. for packages, accommodation, equipment rentals, etc.)?
- What is the occupancy rate per month?
- What is the revenue performance — from all-inclusive packages, accommodation, restaurant/ food services, guiding, licenses, equipment rentals, and ancillary activities?
- What is the variable cost or expense structure (salaries, food/beverage, fuel, miscellaneous)?
- What are the fixed charges (amortization or financing, taxes, insurance, etc.)?
- How have revenues and costs changed over time?
- What is the net cash flow?

Many of the answers to these questions can best be summarized in a "spreadsheet" format as shown in Exhibit I. This helps to develop a clear historical profile of the business. (Of course, it has to be tailored to each individual business.) A useful exercise is to fully document the business over the past 2-3 years, This will help for preparing the business plan needed in support of financing applications.

An important, though often overlooked point is examination of the business goals and objectives for the business. These serve to frame what to achieve in product development and help in assessing whether the effort and commitment required is worth it. It is a particularly important question for the freshwater fishing resort sector, where many operations are now operating under "hobby" or "lifestyle" objectives.

Exhibit I

SAMPLE BUSINESS PERFORMANCE SPREADSHEET

	Historical			Current
	1986	1987	1988	1989
Accommodation units (no.)				
Days of operation per year				
Occupancy rate (%)				
Occupied room nights (or site nights)				
Unit cost per room ($)				
- Room only				
- Packages				
A. Revenue/Sales				
Rooms (or sites)				
Food/beverages				
Equipment rentals				
License sales				
Miscellaneous revenue				
Total revenue				
B. Variable Expenses				
Salaries/wages				
Supplies, inventory				
Repairs and maintenance				
Utilities				
Administration and general				
Marketing/advertising				
Total variable expenses				
C. Income Before Fixed Charges (A-B)				
D. Fixed Expenses				
Property taxes/insurance				
Interest charges				
Depreciation				
Total fixed expenses				
NET INCOME BEFORE TAXES (C-D)				

MARKET ANALYSIS

The more information you have about your markets (whether they are the ones you served now or the ones you might want to serve) the more likely that a product development plan will be successful and achieve the expectations. The companion marketing manual includes a detailed description of the market analysis process. For the purposes of product development, a summary of some of the more important considerations is provided below in the form of questions that should be asked.

- Who are the existing markets?
- Where are they from?
- What are they seeking for a "vacation experience"?
- What is the feedback from them on the facilities and services?
- Is there high repeat business (indicating strong product support)?
- What are they willing to pay?
- Do they come especially for the facility or are they touring customers?
- How does the business stack up against industry-wide performance?
- What are potential markets that should be considered given the facility base?
- What are the needs and expectations of potential markets?

These types of questions help to set up some guidelines for assessing the product against both existing and potential markets. A good market data source is the 1988 Phase I Study, which provides information on market demographics and origins. This information is summarized in Exhibit J. In understanding your business, and how it fits within the overall market niche for British Columbia, you could also compare your customer base against the industry average (see Exhibit J).

The 1988 Phase 1 Study also identified potential market segments for the British Columbia sport fishing lodge/resort sector. Discussed in the market manual and Appendix A, they are summarized below:

- British Columbians oriented to the outdoors with family and friends;
- British Columbians primarily interested in fishing;
- non-residents oriented to the outdoors with family and friends; and
- non-residents primarily interested in fishing.

Market needs and expectations deserve special mention, particularly for operators who are considering upgrading their facilities. What is important to the customer is what should drive the product development plan. If these needs and expectations cannot be met, business expansion is unlikely to be successful.

Exhibit J
MARKET PROFILE - FRESHWATER FISHING LODGES/RESORTS

	Average Percent (%)	How Does My Operation Compare
Origin		
British Columbia	40	—
Alberta	8	—
Other Canadian	2	—
Canada	50	
Washington	17	—
Oregon	6	—
California	13	—
Mid U.S.	3	—
East U.S.	2	—
United States	41	
Europe	6	—
Pacific	0	—
Overseas	6	
Demographics		
Age		
Under 20	9	—
20-34	19	—
35-54	42	—
55 and over	29	—
Sex		
Male	64	—
Female	35	—
Party Composition		
Families	38	—
Couples	30	—
Singles	9	—
Groups	22	—

Source: Pages 4-2 to 4-4, Marketing and Development Initiatives for the British Columbia Sport Fishing Lodge/Resort Sector, 1988

Some of the key observations from the survey of existing users are that:

- scenery, service, and a remote setting are more important than the fishing experience itself;
- rustic accommodation is important to 83% of the customer base; and
- modern cabins and furnishings will improve the user's experience.

The evidence here suggests that "atmosphere" must be considered as well as the number and size of fish caught. This could imply, for instance, that the product development plan must include equal attention to protecting the resource environment around the facility as well as upgrading the product itself.

PRODUCT ANALYSIS

You should now have a more complete understanding of the markets, how you fit in terms of the industry average, and possible market opportunities that you might consider. It is time to under-take a full assessment of the product. The typical approach is to rate the facilities, food service, location, guides/equipment, and other factors. A more useful approach, and one that will ensure a market-driven product development plan, is to assess your product against both existing markets and market opportunities. This is usually done intuitively, but the more explicit you can make it, the better the results. To assist in this process, a checklist matrix is provided in Exhibit K.

The checklist covers not only facilities and services, but also your resource setting, your pricing and packaging, and your product theme (i.e., the experience you offer). By first rating each of the factors in the matrix against the target markets you have established and then assessing whether you have control over upgrading these factors, you begin to develop a very clear picture of your product strengths and weaknesses.

The items covered in the checklist shown in Exhibit K are drawn from the product analysis results of the overall industry in the 1988 Phase I Study. For example, the list of facilities/services in the exhibit represent the full range of facilities which the industry provides. They are not likely to all be appropriate to your operation and those which are not should be ignored. Of course, there may also be missing items. The intent here is to provide a guide for you to use.

The final step in this approach is to consider how competitive you are or can be against other operations. This requires a knowledge of your competitors, the products they offer, and the markets they serve. It may be, for instance, that you feel you can upgrade your product to match the needs of a specific market but that you cannot compete effectively against other facilities. Explicit consideration of how you perform against the competition enables you to better define your market niche and position — one that is realistic and viable.

Exhibit K
PRODUCT ANALYSIS CHECKLIST

Product Factor	Availability	Existing Market Needs & Expectations			Target Market (s) Needs & Expectations		
		Product Description	Quality Rating	Options for Improvement	Product Description	Quality Rating	Options for Improvement
1. Accommodation							
– lodge							
– cabin							
– trailers							
– RV sites							
– campground sites							
2. Facilities/Services							
– lounge							
– restaurant/dining room							
– swimming pool							
– hot tub/jacuzzi							
– sauna							
– airstrip							
– boat rentals							
– marina							
– full service hookups							
– private bath							
– shared baths							
– tennis courts							
– smokehouse							
– laundromat							
– boat launching ramps							
– convenience store							
– fishing tackle							
– fishing license							
– freezing fish							
– other services							
3. Activities							
– lake fishing							
– river fishing							
– stream fishing							
– ocean fishing							
– canoeing/kayaking							
– sailing/windsurfing							
– scuba diving							
– hiking							
– wilderness/outpost excursions							
– hunting							
– golf							
– tennis							
– trail riding							
– swimming							
– nature observation/ photography							
– fishing school							
– downhill skiing							
– cross country skiing							
– snowmobiling							
– ice fishing							

Exhibit K - (continued)

Product Factor	Availability	Existing Market Needs & Expectations			Target Market (s) Needs & Expectations		
		Product Description	Quality Rating	Options for Improvement	Product Description	Quality Rating	Options for Improvement
4. Pricing/Packaging							
– room only							
– restaurant/meals							
– American plan							
– changes for equipment							
– all-inclusive packages							
– weekly packages							
– weekend packages							
– activity packages (eg. photography)							
– specials (eg. Christmas)							
5. Key Factors from User Survey							
– natural/scenic beauty							
– service							
– remoteness							
– rustic accommodation							
– ease of travel time							
– fish species							
– fishing experience							

Source: The DPA Group Inc. Vancouver, Canada

Note:
1. Availability - do you have/offer item
2. Description - eg. no. of units/capacity for activity, etc.
3. Quality rating - use any scale approach such as
   1 - highest
   •
   •
   •
   5 - lowest
4. Options for improvement - is it possible, within your control?

Where Would I Like To Be?

In the previous section you assessed your product explicitly against both the existing and potential new markets. You now have a great deal of information to enable you to do two things:

(1) summarize your product's strengths and weaknesses for each market segment; and

(2) define your product development concept.

To effectively select target markets which are realistic in terms of both the existing product and the product development potential, you need to summarize and synthesize the information you have assembled up to this point.

A useful structure for making this summary is shown in Exhibit L. In your assessment of where you are today, you should assembled information on market characteristics and their needs and expectations. These can be summarized in the first two rows of the matrix in Exhibit L. From your product analysis matrix, you will have assessed all aspects of your product against the needs and expectations of these markets to identify strong and weak points. These can be summarized in the third row of the matrix. Particular attention here must be paid to the important factors which a customer considers in selecting a lodge or resort.

The competition is an important factor in the decision process. How strong is the competition and what product do they offer to each of the market segments? Can you find a market niche which distinguishes yourself from the competition? Is there enough room for expansion, upgrading or a new operation in the marketplace. Conclusions are entered in row D of the matrix.

Now is the time for some real judgments. The decision on what the market niche should be is a judgement call based on factors A through D in the Exhibit L matrix. In other words, how does (or can) the product match the market and can you be competitive. That conclusion, and a specific definition of the market niche you should pursue, leads to logically define the product development concept and its elements.

POSSIBLE PRODUCT OPPORTUNITIES

Several product opportunities were identified in the 1988 Phase I Study. A summary of these is provided in Exhibit M to assist you in considering your options. The reader is referred to the 1988 Phase I Study for a full description of product opportunities. Also, you should refer to the Marketing Manual for additional ideas.

Exhibit L
DEFINING A PRODUCT DEVELOPMENT CONCEPT

	Existing Market	Target Market #1	Target Market #2
A. Market characteristics	❑ size growth potential ❑ demographics ❑ party size ❑ origin ❑ travel mode ❑ etc.		
B. Market needs and expectations	❑ factors important in selecting lodge/resort ❑ preferred length of stay ❑ special needs (eg. for children) ❑ package preference ❑ service level expected		
C. How does the product match up? ❑ **Strengths** ❑ **Weaknesses**	❑ summary from Market Assessment		
D. How strong is the competition?	❑ which markets do they serve ❑ how do they package their product ❑ how do distinguish product		
E. What should our market niche be? (setting targets)	❑ based on product strengths, and match to target market ❑ taking into account the competition		
F. What product development concept should follow? What are the elements of this concept?	❑ to address product weaknesses		

Exhibit M
Industry Product Development Opportunities

- ❑ Sharper Product Definition
  - — the "accessible" fishing experience - oriented to families and couples
  - — the remote, high-quality sport fishing experience
  - — new outdoor activities
- ❑ Product Packaging
  - — packaging strategy to satisfy unanimous user preference
  - — package to meet shorter stay trends
- ❑ Moving the Product Upscale
  - — upgrade products
  - — meet preferences for modern furnishings and indoor plumbing
  - — move pricing upwards

How Do I Get There?

You have come a long way to determine just what your product development concept should be. Although it seems like a lot of work, it is well worth the effort to ensure that your product development plans are specifically oriented to the markets you propose to serve.

The next step involves translating the product development concept into a product plan. This will be as simple or as complex as the product development concept dictates. For instance, you may determine that your existing product is sound but that a stronger orientation to the market will be through a packaging approach. If this is all it takes, that is great. You are only left with decisions about package sizes and prices. Hopefully you will have done your research and will be able to compare packages which the competition offers to get a benchmark idea of where you should place yourselves in the marketplace. Expect some experimentation in the first year of new packaging and try to get as much feedback from customers as possible. Also, do not forget the operational implications of offering packages. You must have the staff available to fully service the package which you advertise and meet the expectations of your guests.

Except in the most unusual circumstances, packaging alone is not likely to meet the product development needs. The Phase I Study demonstrated that the freshwater fishing resort sector was characterized by facilities which were over 20 years of age. In almost all cases, some upgrading and renovation is likely to be required. As it was put in the 1988 Phase I Study (page 3-19):

> "Consistent with low revenues and occupancy, the typical freshwater operation may not be generating sufficient profits and retained earnings to maintain an upgraded plant and equipment. Total 1987 capital expenditures of $49,000 per property amounts to only 12% of this sector's capital stock. In light of the age of many freshwater properties, it is questionable whether capital expenditures at this level are sufficient to maintain the property at current standards."

The report goes on to say (page 3-17):

> "Freshwater facilities are not only smaller than saltwater facilities on average but have much older plant and equipment. Fifty-five of the 99 (surveyed) freshwater facilities have been in operation for over 20 years and many freshwater operations (33%) have been under the same management for at least ten years. Only nine of the 99 (surveyed) freshwater properties started up in the past five years."

PUTTING THE PLAN TOGETHER

The process of going from concept to product development plan is illustrated in Exhibit N.

The physical component of the product development plan can be classified into four general elements:

- condition of existing buildings/equipment;
- sites for new facilities (whether buildings, trails, or scenic look-offs);
- supporting infrastructure; and
- operational considerations.

You will have assessed many of the factors involved in each of these four elements in your product analysis. However, you now have your product development concept and need to translate the physical component into a practical plan which can be used for the basis of cost estimating. Now is the time to delve into much more detail — answering the range of questions shown in Exhibit O.

The assessment process for each of these lines of enquiry is explained in detail in the **British Columbia Tourism Development Handbook**. Readers should refer to this handbook for more specific information.

The information which has been assembled through this assessment process provides the basis for preparing a physical development plan and estimating costs. The plan will be accompanied by a summary of the site conditions and design guidelines for each of the facilities and services. Not only is the plan used in costing, but it also becomes the basis for obtaining approvals prior to detailed design.

Putting the product development plan together is an important step. It provides the basis for your capital cost estimates and should, wherever possible, be done with professionals. Mistakes in preparing cost estimates at this stage will seriously jeopardize your financial forecasts and estimates of feasibility.

COST ESTIMATES AND THE CAPITAL BUDGET

If you are at all unsure about costs, or have a relatively complex product development program, it is wise to seek professional advice. Do not forget to include estimates of changes in your operations and maintenance (O&M) costs which will result from the physical development program. Investment in capital items almost always means additional annual outlays for operations and maintenance. Estimates of the O&M costs should be done at this stage so they can be used as a factor in undertaking your financial analysis.

Exhibit N
Putting the Product Development Plan Together

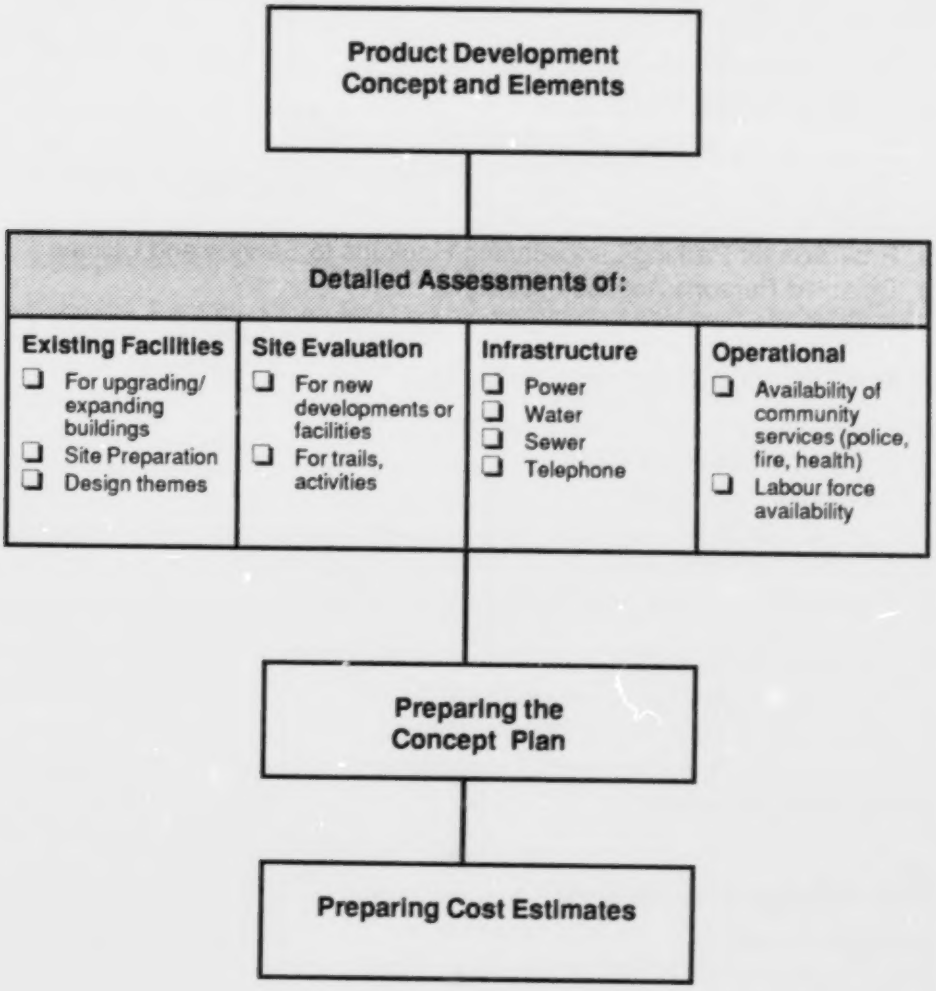


Exhibit O

PHYSICAL PLANNING CONSIDERATIONS

Existing Buildings/Equipment

- ❑ Conformity to Building Codes
- ❑ Special Design Considerations (eg. Rustic Accommodation Theme)
- ❑ Site Preparation (for Expansions)
- ❑ Provision for Parking/Landscaping/Hookups to Service and Utilities
- ❑ Disabled Persons Access Provisions

Sites for New Facilities (Buildings, Trails, etc.)

- ❑ Impact of Natural/Scenic Beauty Attributes
- ❑ Impact on Resource Base
- ❑ Soil Types and Slope
- ❑ Natural Hazards
- ❑ Existing Water Courses or Standing Water/Drainage
- ❑ Forest Cover/Likely Retention of Forest Cover
- ❑ Shoreline Characteristics/Sensitive/Eroding?
- ❑ Sensitivity for Dredging
- ❑ Dock Options/Piling Feasibility
- ❑ Shore Lease Requirements
- ❑ Current Zoning or Planning Designation
- ❑ Permit Requirements

Supporting Infrastructure/Utilities

- ❑ Water Supply
- ❑ Sewage and Solid Waste Disposal
- ❑ Power Supply
- ❑ Telephone Service
- ❑ Public Safety Service (Police, Fire, Medical Service)
- ❑ Access (Road/Air/Water)

Operational Considerations and Locational Analysis

- ❑ Access/License Requirements
- ❑ Service Available from Nearby Communities
- ❑ Labour Force Residence (Onsite or Offsite)
- ❑ Weather Condition Impact (Particularly for Shoulder Season and Winter Activities)

The cost estimates you make go into the capital budget you prepare for the product development program. A summary checklist of the items which go into the capital budget is shown in Exhibit P.

Depending on your specific product development plan, these items all form part of your capital budget. It is from this budget that you estimate the amount of financing you require (taking into account the cash or equity which you can put into product development).

Exhibit P
CONTENTS OF THE CAPITAL BUDGET

Land Costs

Land Improvements:

- ❑ Site preparation and landscaping
- ❑ Access roads
- ❑ Parking

Utility Improvements

Construction

- ❑ Cost of materials, mechanical equipment, labour and carrying costs during construction

Facilities

- ❑ Trails, wharves, etc.

Furnishings and Equipment

- ❑ For guest rooms, public areas, administrative areas, food and beverage facilities
- ❑ Boats, motors, safety equipment

Operating Equipment

- ❑ Linens, china, uniforms, etc.

Professional Fees

- ❑ Costs of services of architects, engineers, lawyers, etc.

Working capital

- ❑ Interim financing or cash required for day-to-day operation during construction

Pre-opening Expenses

- ❑ Staff training
- ❑ Sales promotion/Advertising

Is The Plan Feasible?

You are now ready to assess the feasibility of the product development plan. This will require the preparation of a pro forma (projected) income statement and application of measures of return on investment.

For this purpose, the spreadsheet which was introduced in the section, Where Am I Now? which assesses current business performance is useful. The structure is the same and starts with a forecast of market capture rates to estimate revenues for the business. (Exhibit Q)

The market capture rates (expressed in the example as occupancy rates) must now be forecast based on the new or improved product, assuming implementation of the product development plan. There are several variables to consider in estimating the impact of the product development plan on market capture. It maybe, for instance, to achieve higher occupancy rates than previously. Alternatively, it maybe to operate at the same occupancy rate but, because of improved facilities, to increase the unit price of either accommodation or packages. Either assumption, or even a combination, is valid provided that it can be justified by the market analysis.

The market forecast is used to calculate the forecasted revenues or sales. If new packages are introduced they must be accounted for in both the market forecast and the revenue estimate.

Variable expenses will increase as a function of the increase in sales. If more customers are served, more supplies or inventory will be required. Therefore there will be an impact on variable expenses which must be reflected in the pro forma income statement.

Subtracting variable expenses from the revenue forecasts gives you income before fixed charges. Fixed charges include property tax, insurance and depreciation. Some pro forma worksheets from other sources suggest different formats than that shown in Exhibit Q. Other sources, an accountant, or even other financing agencies should be consulted to settle on the most appropriate structure. (There is no fixed method of classifying these expense items as long as they are all covered in the analysis.)

After deducting fixed expenses, the next step is to deduct income tax to derive net income after taxes for the business. This information is then used to estimate return on investment or business viability. There are many accepted methods to use for determining business feasibility. Those which are identified in the **British Columbia Tourism Development Handbook** include:

Exhibit Q
PRO FORMA INCOME STATEMENT

	Year					
	current	1	2	3	4	5
Accommodation units (no.) Days of operation per year Occupancy rate (%) Occupied room nights (or site nights) Unit cost per room ($) - Room only - Packages						
A. Revenue/Sales Rooms (or sites) Food/beverages Equipment rentals License sales Miscellaneous revenue **Total revenue**						
B. Variable Expenses Salaries/wages Supplies, inventory Repairs and maintenance Utilities Administration and general Marketing/advertising **Total variable expenses**						
C. Income Before Fixed Charges (A-B)						
D. Fixed Expenses Property taxes/insurance Interest charges Depreciation **Total fixed expenses**						
E. NET INCOME BEFORE TAXES (C-D)						
F. Income tax						
NET INCOME AFTER TAXES (E-F)						

- **Break-even Analysis** shows the level of sales needed to make a profit. The variable and fixed expenses are charted in relation to sales volume to determine the profit potential and to point out the necessity of controlling expenses.
- **Return-on-Investment** is a measure of profitability and is often used to compare businesses. Net profits (after taxes) are divided by the tangible net worth (or owner's equity) of the operation to arrive at a percentage figure. If the return on investment is too low, lenders or investors may decide against the project.
- **Debt-to-Equity** ratio measures what is owed compared to what is owned. Total debt is divided by tangible net worth (assets minus liabilities). For example, a 2:1 ratio would show a $2 debt for every $1 equity. Depending on the lender, this may be considered acceptable.

The choice of method is really one which is best identified through discussions with prospective lenders or investors. A more detailed description of the application of these and other methods is provided in Appendix F.

RISK ANALYSIS

Risk in any business opportunity is a fact of life and must be considered as part of the feasibility analysis process. A common method is to use "sensitivity analysis" which involves nothing more than determining the impacts on the net income forecasts of changes in key variables. For example, what is the impact on net income if the operation achieves 10% less occupancy than forecasted. Alternatively, another option is to test the impact of changes in direct expenses or fixed charges (e.g., higher interest rates for the loan).

This should not be completed at random. The first step is to list the key risk areas and then test these using the pro forma income statement format.

Including sensitivity analysis in submissions to lenders helps increase their perception that a credible and thoughtful analysis has been undertaken. It also helps to increase the owners own confidence in the plan.

OTHER HELPFUL INFORMATION SOURCES

Much more can be said on the job of preparing pro forma income statements and assessing feasibility. The discussion above is a summary overview and operators should supplement this information by referring to other sources and discussing techniques with lending agencies and government representatives. For instance, the Ministry of Regional Development has full-time staff devoted to assisting small businesses with the preparation of pro forma income statements and business plans. The Federal Business Development Bank (FBDB) regularly gives courses and seminars on these topics. The more that can be learned about these techniques, the more effective the analysis and presentation will be.

How Do I Finance It?

All the steps that we have gone through have been undertaken in preparation for putting your business plan together. The contents of the business plan are summarized in Exhibit R and described briefly below.

The business **mission and objectives** summarize what your business is all about in the form of an objective or "goal" statement and includes specific targets for profitability. It is at this point, right at the outset of the business plan, that resort owners might take the opportunity to include a paragraph on the nature of their business. This might be important, particularly for conventional lending agencies who typically do not finance this industry. Some points of persuasion to use here include the professionalism of the industry (referencing the BCFROA) and the marketing and product development support for the industry from the Province of British Columbia. Alternatively, this paragraph may be included as the introduction to the product development plan (see below).

The **management plan** describes the organization structure and management for the business. An important component of this is brief biographical sketches of the principals of the firm to demonstrate your experience and qualifications for this type of business.

The **product development plan** includes a synopsis of the product analysis and associated market research which was completed to develop the product development concept. It describes the proposed product development program, pricing strategy, facility requirements and capital cost estimates.

The **project schedule** sets out the planning for implementation of the product development plan and the approval process which must be undertaken.

The **operational/staffing plan** describes the estimated maintenance requirements and costs to support the proposed business and staffing levels. Particular attention here must be paid to the fact that most of the freshwater fishing resorts are in remote locations. The operational evaluation provides the information for this part of the business plan.

The **marketing plan** first starts with a summary of the market analysis to provide a context for the proposed marketing strategy. This component has not been considered in this manual. A similar step-by-step approach to product development is found in the previous **Marketing Manual** for the industry.

The **financial plan** includes financial statements from previous years. Financial pro formas are also included to demonstrate the feasibility of the proposed business. This section of the business plan concludes with the financing plan covering the proposed

Exhibit R
BUSINESS PLAN CONTENTS

1. **Business Mission and Objectives**

2. **Management Plan**
   - ❑ organizational structure
   - ❑ qualifications of principles

3. **Product Development Plan**
   - ❑ product theme(s)
   - ❑ proposed products
   - ❑ synopsis of intended markets and target sales
   - ❑ pricing strategy
   - ❑ facility requirements
   - ❑ capital spending requirements

4. **Project Schedule**
   - ❑ schedule of implementation
   - ❑ approvals timing

5. **Operational Staffing Plan**
   - ❑ human resources plan
   - ❑ maintenance costs and requirements

6. **Marketing Plan**
   - ❑ summary of market analysis (key markets, market size, market origin)
   - ❑ marketing strategy
   - ❑ operational requirements
   - ❑ budget

7. **Financial Plan**
   - ❑ financial statement (previous years)
   - ❑ financial pro formas
   - ❑ summary of feasibility results
   - ❑ financing proposal/equity and debt breakdown
   - ❑ cash flow forecast (repayment plan)

equity and debt breakdown, sources of financing, and use of funds, and a detailed cash flow statement for the first year.

The contents described above are generic in format and may be adjusted depending on the particular needs of the lending agency of choice. For instance, the market analysis may be submitted under separate cover to support the conclusions in the business plan. Similarly, the site evaluation and capital budget assumptions should be readily available for inspection.

APPLYING FOR A LOAN

You now have all the documentation to approach a lending agency save one. A visual presentation in the form of photographs and plans is important and always has an impact if done well.

Many lending agencies require that you fill out a preliminary application form before any formal interviews. Do take the opportunity to give a presentation at the loan interview. A professional presentation helps to establish your credibility and gets your association with the lending agency off to a good start.

OTHER INFORMATION SOURCES

The same agencies who can provide advice and assistance on feasibility analysis also offer information and seminars/ counselling for business plan preparation. They also have sample business plans or can point you to textbook case studies which will help in putting one together.

Information on possible lending sources and business seminars/counselling is provided in Appendix G.

Development And Licensing Approvals

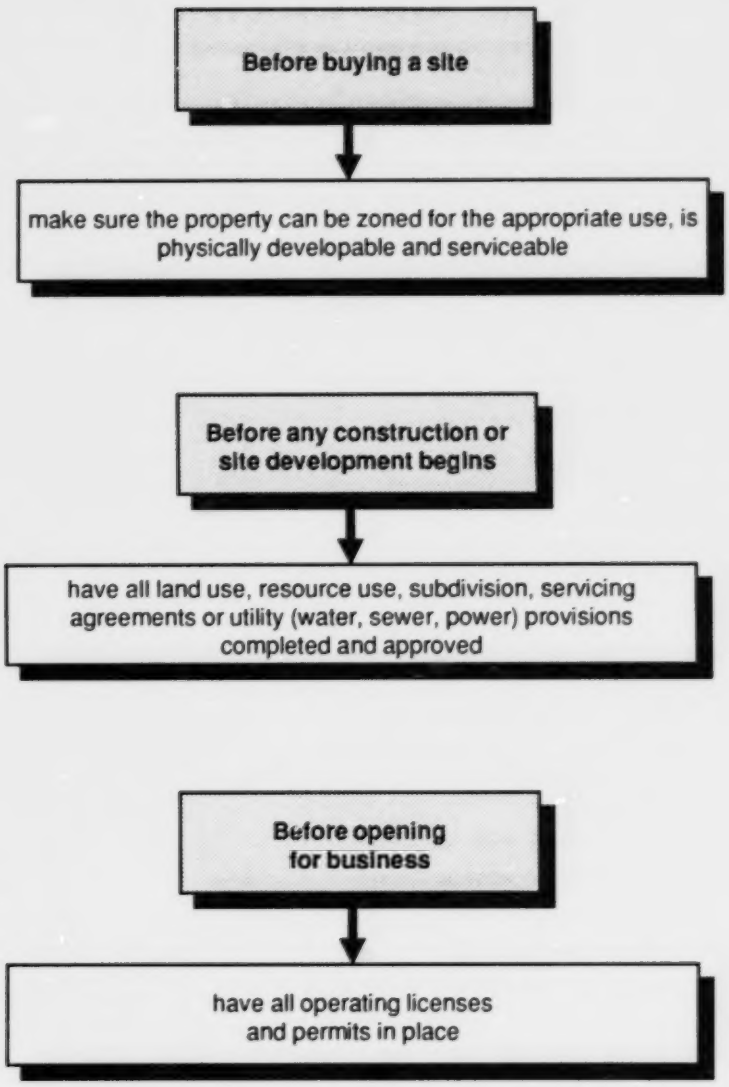
The approval process for any development can be complex and time-consuming. It almost always involves a variety of agencies from municipalities or regional districts to provincial and/or federal departments. Approvals may be required for the following areas:

- Land use and resource approvals
  - Rezoning applications
  - Crown land lease
  - Foreshore lease
  - Water use rights
- Building/Servicing/Development approvals
  - Building permit
  - Water supply
  - Sewage disposal
  - Solid waste disposal
  - Hydro/gas supply
  - Electrical/plumbing inspection
- Operating Licenses and Permits
  - Municipal business license
  - Liquor license
  - Food operating license
  - Fuel storage

This is only a partial list of the types of approvals that the operator could face in the implementation process. An excellent discussion of the development and licensing approvals process is provided in the **Tourism Development Handbook** distributed by the Ministry of Regional Development. In that handbook, several helpful hints are provided on the approach to obtaining approvals, the information you require, and packaging and presentation.

The Handbook description also highlights the need for a comprehensive approach to the approval process to avoid time delays and setbacks. This is summarized in Exhibit S.

Exhibit S
THE APPROVAL PROCESS


Before buying a site
make sure the property can be zoned for the appropriate use, is physically developable and serviceable
Before any construction or site development begins
have all land use, resource use, subdivision, servicing agreements or utility (water, sewer, power) provisions completed and approved
Before opening for business
have all operating licenses and permits in place

Appendix F

Financial Analysis: is it a Good Investment?

This annex is an excerpt from Tourism Canada's The Inn Business, 1986.

Financial Analysis: is it a Good Investment?

Deciding if your proposed investment is a good one all comes down to risk and return. The easiest way to understand the role that risk plays is by comparing your investment to others. For example, you could put your money into mortgages. That would be less risky than sinking your money into accommodation which is vulnerable to economic conditions, labour problems and other changes in fortune. You could also put your money in the bank -- which is even less risky than mortgages.

If all these less risky alternatives exist, why do people go into the accommodation business, aside from their personal reasons? Because of the profits to be made and the return on investment. Here are four ways to calculate return.

Average Rate of Return

This is by far the simplest method. It relates your equity tot he average annual profits over a number of years of operation. The return obtained can be compared with current rates of return for less risky endeavors. It can also be used to rank different accommodation projects in terms of investment potential.

To illustrate this point consider the following three alternatives open to the investor in Motel C.

a) Invest $74,250 at a local bank at 9 1/4%

b) Invest $74,250 in a mortgage loan at 13%

c) Invest $74,250 in an accommodation project (the equity portion of a total capital investment of $297,000 in Motel C).

For each of these we calculate the average rate of return. This is equal to the average annual profits (or interest) over the original sum invested, i.e.:

$$\text{Average rate of return} = \frac{\text{average annual profits}}{\text{original sum invested}}$$

Having completed our pro forma statements, we find that Motel C's net profits before taxes averages are $8,926 per year for the ten-year period (Years 3-12).

Average	$(17,459)	+ (12,978)	+ (6,510)	+ 452
Annual =	+ 7,512	+ 14,044	+ 19,397	+ 23,804
Profits	+ 28,248	+ 32,746		

$$= \frac{\$(36,947) + \$126,203}{10}$$

$$= \frac{\$89,256}{10}$$

$$= \$8,926$$

The average rates of return (before taxes) on the three alternatives are therefore:

a) $\frac{\$6,868}{74,250} = 9.25\%$ Savings Account

b) $\frac{\$9,653}{74,250} = 13\%$ Mortgage Lending

c) $\frac{\$8,926}{74,250} = 12.02\%$ Motel C

In this case, it is clear that mortgage lending is the superior investment. But what would happen if the rate of return on Motel C were 18%? Then the investor/operator would have to decide if the higher return is worth the greater risks.

PAYBACK METHOD

The payback method is again fairly simple to calculate, although it introduces the concept of cash flow into the calculations. Cash flow is defined at:

Cash flow = After tax profits + Depreciation - Mortgage Principle repayment

Depreciation is added back to net profits because it is a non-cash expense. In reality, it is not stored in some mythical fund, rather it is cash that can be put to work to earn more money. To arrive at our net profit figure we deducted our depreciation, we must now add it back to arrive at our estimate of cash flow.

The payback period is calculated by dividing the original sum invested by the annual cash flows, and the figure obtained in expressed in terms of a number of years. In essence, then, it tells us the number of years required to recover our initial investment (in Motel C this was the operator's equity of $74,250).

Continuing with our example of Motel C, the annual cash flows are calculated using the assumptions listed. In this example we wish to calculate how long it takes for the

owner/ operator's $74,250 equity to be repaid in cash flow.

In the first six years of operation (year 3 - year 8) cash flow from the business totals $52,500:

Year 3	$(5,630)
Year 4	(1,350)
Year 5	4,894
Year 6	11,604
Year 7	18,383
Year 8	24,599
Total Cash Flow	$52,500

This means that at some point in Year 9 (cash flow $28,305), the original $74,250 invested is recovered. To find out the exact number of years required to pay back the $74,250 the following calculation must be made:

$$\text{Payback period} = 6 \text{ years} + \frac{(74{,}250 - 52{,}500)}{28{,}305}$$

$$= 6 + \frac{21{,}750}{28{,}305}$$

$$= 6.76 \text{ years}$$

Normally, if more than one investment project is being considered, the one with the shortest payback period is preferred. Otherwise if only one project is being considered and the payback period calculated is less than some maximum acceptable period, the proposal is accepted, if not it is rejected.

INTERNAL RATE OF RETURN

These two methods are considered by financial analysts to be superior to both the average rate of return and payback methods because they are based on the concept of present value. The basic principle of present value is that money has an inherent cost. That it, a dollar received today is more valuable than a dollar received next year or the year after, simply because the money received today can be put to work immediately to earn more profits or interest. If the dollar were received a year hence, the additional profits or interest that could have been made are lost. And so it is that the project that returns the greatest amount in earlier years of its life is generally the superior investment.

We have just touched upon the four methods of financial analysis but have not fully explored all the pros and cons of each. It is highly recommended that financial

guidance be obtained when comparing the relative merits of investment opportunities. The best we can do is to say that the latter two methods are recommended because they are certainly the most accurate indicators.

Appendix G

Overview of Financing, Business Improvement and Training Programs

Financing, Business Improvement, and Training Programs

In addition to the counselling and advisory services of the Ministry of Tourism and Provincial Secretary (British Columbia) and Industry, Science and Technology Canada (Vancouver office) there are a variety of programs available which are potentially of interest.

1. Government Financing and Business Improvement Programs

The Canada/British Columbia Tourist Industry Development Subsidiary Agreement (TIDSA), signed in August 1985, is a $30 million, five-year agreement cost-shared equally by the federal and provincial governments.

The objective is to stimulate tourist industry development through market and product development activities as well as support to the industry in order to create new employment opportunities and to help maintain long-term growth in British Columbia's tourism industry. Financial assistance is provided through three programs:

A. International Market Development Program

B. Product Development Program

C. Tourism Industry Support Program

Contact: Ministry of Regional Development, Tourism Development Branch

Western Economic Diversification (WD)

Programs of WD include financial assistance to businesses for new enterprises and new product lines. Information can be obtained from Western Economic Diversification, Vancouver, 666-6256.

Federal Business Development Bank (FBDB)

Relevant financial services focus on loans and loan guarantees for small and medium-sized businesses that "cannot obtain financing elsewhere on reasonable terms and conditions."

Interest and principal payments are structured so that principle is paid off when seasonal businesses are at their peak while interest payments continue all year round.

Contact: for the FBDB office nearest you, call toll-free 1-800-361-2126

Investor-Business Networking

COIN (Canada Opportunities Investment Network) is a computer database run by Canadian Provincial Chambers of Commerce that provides potential investors and businesses an electronic meeting place. A financial matchmaking service is also run by FBDB; under the title of INTRODUCTION$, a publication is sent to over 800,000 addresses on a quarterly basis; FBDB then serves as an intermediary between potential investors and businesses. VentureNet is a BC government computer database 'designed to assist investors searching for equity investment and business opportunities as well as businesses seeking equity capital; it is part of the BC Business Network accessible through iNet 2000 and also includes a Small Business Information database with answers to commonly asked business questions as well as other less relevant business databases.

Contact: 1-800-387-8943
FBDB 1-800-361-2126
Venture Net 1-800-972-2255

Small Business Venture Capital Act

This act is designed to encourage capital formation by providing investor incentives 'equal to 30% of the cash investment' in a Venture Capital Corporation (VCC). 'The VCC must in turn invest these funds within a specified period of time in small businesses carrying on prescribed business activities in British Columbia.

Contact: B.C. Enterprise Centre 1-800-972-2255

B.C. Provincial Loan Guarantees

The Regional Seed Capital Program provides loan guarantees for up to 75% of a loan up to a $50,000 maximum and term of 3 years; the loan guarantees are available to most small businesses excepting professionals for the operation of their practices; farmers for farm related activities; and companies or individuals seeking to acquire shares or refinance shareholders or to support a revolving line of credit.

Contact: B.C. Enterprise Centre 1-800-972-2255

Canadian Aboriginal Economic Development (CAED) Strategy. This native economic development program was announced June 12, 1989. Designed to replace previous NEDP and related programs, information on it can be found by contacting the Native Economic Programs Branch of Industry, Science and Technology Canada in Vancouver, B.C.

Resource Economic Employment Development (REED)

The Resource Economic Employment Development program provides a source of financing for viable Native business and employment initiatives. It provides:

- contributions for infrastructure, economic planning, support services, start up costs and equity;
- loans for working capital and fixed assets;
- guarantees for loans;
- management counselling services.

REED is currently in the process of getting out of providing loans and loan guarantees for status Indians since organizations such as the All Nations Trust Company in Kamloops and the First Citizens Fund in Delta are fulfilling these responsibilities.

Contact: local Department of Indian and Northern Affairs Regional offices;
All Nation Trust Co. (604) 372-7225;
First Citizens Fund (604) 596-1511

2. Professionalism/Training

Federal Business Development Bank (FBDB)

The FBDB offers a number of courses in business management aimed at improving operations whether they be at startup or with an established business. CASE counselling uses retired professionals to review and assess any aspect of a business, from a business plan to accounting, at a daily fee rate of $250 which includes administration and travel costs.

BC Enterprise Centre

The Enterprise Centre in Vancouver offers a variety of information services but does not have a training program as such. Their resources include over 50 videos, over 150 business plans, import/export information and assorted other materials. Business information centres on a smaller scale also exist in other BC cities including the following: Castlegar, Dawson Creek, Kamloops, Kelowna, Pentiction, Prince George, Prince Rupert, Vernon, and Victoria.

Contact: Toll free 1-800-972-2255 ask for a Business Information Officer

Employment and Immigration Canada

Employment counsellors in local Canada Employment Centres (CECs) provide seminars covering the available programs under the Canada Jobs Strategy.

Relevant Canada Jobs Strategy Programs:

The Job Development program has a number of components two of which are especially relevant to sport fishing lodges and their industry associations. The two are General Projects and Individually Subsidized Jobs, both of which provide wage subsidies and training for those long-term unemployed (a minimum 24 of the last 30 weeks) for periods ranging from 16 weeks to an entire year; General Projects must create a minimum of 3 jobs using this criteria. Employers are eligible to receive up to 60% of wages paid to $7.50 an hour with weekly maximums of $300 per participating employee.

The Unemployment Insurance (UI) Job Creation Program takes a project oriented approach with participants receiving enhance UI benefits and employers receiving up to $125 per week per worker for related costs such as materials and supplies. Private sector employers are required to pay for two-thirds of total project costs.

The Challenge program is the summer student jobs program which subsidizes wages at the current provincial minimum wage rate. It lasts for a maximum of 18 weeks and is intended for use with students who plan on returning to attend school full-time.

The Community Futures program, lasting up to five years, provides options for community committees to choose from. Of five options, the relevant ones include:

Business Development Centres -- provide services to small businesses and up to $75,000 in loan investment assistance;

Self-employment Incentives -- provide grants of $180 per week for a maximum of a year to UI or social assistance clients;

Training Assistance -- "provides for the purchase of courses in approved institutions for training of the employed, self-employed, or unemployed"; and

Community Initiative Fund -- provides financial support for innovative projects that lead to permanent job creation.

The Innovations program assists in developing innovative approaches to the labour market that provide for improvements in the cost-effectiveness for businesses.

Trainees or Job Entry participants are also eligible for supplementary allowances to help with job-related expenses.

Contact: local Canada Employment Centre Employment Coordinator and Labour Market Analyst

B.C. Ministry of Social Services and Housing

The Employment Plus Program provides wage subsidies of 50% of an employee's wages up to a maximum subsidy of $3.50/hour employing them for anywhere from 2 to 6 months at 30-40 hours per week.

The Environment Youth Program targets people aged 17-24 in areas with high welfare and youth unemployment rates. The program has a comprehensive training program including:

> safety and first aid; basic construction techniques; employment skills: fish and wildlife enhancement; forestry, park and recreation services; and tourism skills.

A sense of group and community is fostered in creating trails and outdoor recreational facilities in parks' areas.

The Community Tourism Program is also related to legacy work with a training component and provides the opportunity for the building of facilities for communities as well as the private sector.

Contact: local Social Services and Housing office - Rehabilitation Officer

B.C. Ministry of Advanced Education and Job Training

The Ministry offers three programs that could relate to sport fishing lodges' development:

> Training Investment Program (TIP);
> Training Opportunities Program (TOP); and
> Challenge '89.

The TIP program follows a company's long-term business plans, assesses its training needs and provides for subsidization of wages, consultant's fees, course costs, as well as training material costs. The subsidization rate may vary but has a maximum of 60% and a company is eligible for no more than $50,000.

TOP is a wage subsidy program aimed at women interested in working in non-traditional jobs, post-secondary graduates that have not found jobs after six months after graduation, and re-training for workers whose jobs have been made obsolete by technological improvements. Its subsidization rate is 50% up to $3 an hour for a maxi-

mum of four months. It also covers direct training costs (course materials, travel expenses, etc.) at a 60% rate to a maximum of $1,000.

Challenge '89 is a program separate from the Employment Canada Challenge program and is focussed on seasonal work with a subsidization rate of 50% up to $3 an hour.

Contact: local Ministry of Advanced Education and Job Training Office